338.7
Un587
1922

AB | JWS | ESB | NKT | EBB | AJR
RECEIVED FEB 13 1923
RETURN TO | WHEN | REC'D | CARDS | CASHIER
P & S
ORDER
ANS'D By | DATE
F. X.

Annual Report and Financial Statement

RETURN TO FILE
BERNHARD, SCHIFFER & CO.
STATISTICAL DEPT.

Fiscal Year Ending December 31, 1922

THE LIBRARY OF THE
SEP 17 1951
UNIVERSITY OF ILLINOIS

Jersey City, N. J., March 6, 1923.

The

TREASURER'S REPORT

to the

STOCKHOLDERS

of the

United States Tobacco Company

of New Jersey

The Treasurer herewith respectfully submits a report of the financial condition of your Company for the year ending December 31, 1922.

Provision has been made out of the earnings for the year for all taxes, including Income Tax. After these, and all deductions for charges and expenses of management, the net earnings of the Company

Are	$2,013,115 68
Deduct:	
Four Dividends of 1¾% each on Preferred Stock	376,229 00
Net applicable to Surplus Account	$1,636,886 68
Deduct:	
Four Cash Dividends of 75 cents per share each on Common Stock	953,856 00
Added to Surplus	$683,030 68
Surplus, as per Statement of December 31, 1921	3,429,571 72
Transferred to Surplus from Provision for Advertising accumulated prior to the year 1922	1,000,000 00
Premium on Preferred Stock	48,342 90
SURPLUS, December 31, 1922	$5,160,945 30

The balance sheet is herewith submitted.

I. L. ELLIOTT, Treasurer.

338.7
Un 587
1922

United States Tobacco Company

FINANCIAL STATEMENT

December 31, 1922

ASSETS

Real Estate, Machinery, Fixtures, Trade Marks, Patents, Goodwill, etc	$6,628,061 04
Leaf, Manufactured Stock, Supplies, etc	4,534,975 64
Securities of other Companies	1,551,251 16
CASH	2,559,686 28
Bills and Accounts Receivable	6,438,381 62
	$21,712,355 74

LIABILITIES

Capital Stock:		
Preferred Stock par value $100.00 per share		
Authorized	$9,000,000 00	
Unissued	3,480,000 00	
Outstanding		$5,520,000 00
Capital Stock:		
Common Stock no par value		
Authorized	360,000 shares	
Unissued	42,048 "	
Outstanding	317,952 "	7,948,800 00
Provision for Dividend on Preferred Stock payable January 2, 1923		96,600 00
Provision for Dividend on Common Stock payable January 2, 1923		238,464 00
Provision for Advertising, Insurance, Discounts, Real Estate, Machinery, Fixtures, Taxes, etc.		2,275,521 43
Bills and Accounts Payable		472,025 01
SURPLUS		5,160,945 30
		$21,712,355 74

17551 2. Business records file 1922-1943 cont. MIPS.

338.7
Un587
1923

A B JWS
MG'R
FILE RECE
1924
RETURN
SHIER
& S
RDER
A/B.
DATE
Book, E.
Book, For.
NO ADS.
BOND

Annual Report and Financial Statement

RETURN TO FILE
BERNHARD, SCHIFFER & CO.
STATISTICAL DEPT.

Fiscal Year Ending December 31, 1923

THE LIBRARY OF THE
SEP 17 1951
UNIVERSITY OF ILLINOIS

Jersey City, N. J., March 4, 1924.

The

TREASURER'S REPORT

to the

STOCKHOLDERS

of the

United States Tobacco Company

of New Jersey

The Treasurer herewith respectfully submits a report of the financial condition of your Company for the year ending December 31, 1923.

Provision has been made out of the earnings for the year for all taxes, including Income Tax. After these, and all deductions for charges and expenses of management, the net earnings of the Company

Are	$2,112,579 89
Deduct:	
Four Dividends of 1¾% each on Preferred Stock	386,400 00
Net Applicable to Surplus Account	$1,726,179 89
Deduct:	
Four Cash Dividends of 75 cents per share each on Common Stock	1,096,879 50
Added to Surplus	$629,300 39
Surplus, as per Statement of December 31, 1922	5,160,945 30
Total	$5,790,245 69
Stock Dividend of 20% on Common Stock	3,179,500 00
SURPLUS, December 31, 1923	$2,610,745 69

The balance sheet is herewith submitted.

I. L. ELLIOTT, Treasurer.

338.7
Un587
1923

United States Tobacco Company

FINANCIAL STATEMENT

December 31, 1923

ASSETS

Real Estate, Machinery, Fixtures, Trade Marks, Goodwill, etc.	$6,981,672 02
Leaf, Manufactured Stock, Supplies, etc.	7,489,481 67
Securities of other Companies	1,588,485 19
CASH	3,078,173 50
Bills and Accounts Receivable	4,058,198 29
	$23,196,010 67

LIABILITIES

Capital Stock:		
Preferred Stock par value $100.00 per share		
Authorized	$9,000,000 00	
Unissued	3,480,000 00	
Outstanding		$5,520,000 00
Capital Stock:		
Common Stock no par value		
Authorized	600,000 shares	
Unissued	218,458 "	
Outstanding	381,542 "	11,128,300 00
Provision for Dividend on Preferred Stock payable January 2, 1924		96,600 00
Provision for Dividend on Common Stock payable January 2, 1924		286,156 50
Provision for Advertising, Insurance, Discounts, Real Estate, Machinery, Fixtures, Taxes, etc.		3,150,640 01
Bills and Accounts Payable		403,568 47
SURPLUS		2,610,745 69
		$23,196,010 67

338.7
Un587
1924

RETURN TO FILE
BERNHARD SCHUMACHER & CO.

Annual Report
and
Financial Statement

AB | JWS | ESB | NKT | EBB | MG'R
RECEIVED FEB 10 1925
STATE | RETURN TO | WHEN | REC'D | CARDS | CASHIER
Book, D.
Book, P.
Cable
P & S
ORDER
NO ANS. | F. X. | BOND | SALES | P. U. | ANS'D By | DATE

Fiscal Year Ending December 31, 1924

THE LIBRARY OF THE
SEP 17 1951
UNIVERSITY OF ILLINOIS

Jersey City, N. J., March 3, 1925.

The

TREASURER'S REPORT

to the

STOCKHOLDERS

of the

United States Tobacco Company

of New Jersey

The Treasurer herewith respectfully submits a report of the financial condition of your Company for the year ending December 31, 1924.

Provision has been made out of the earnings for the year for all taxes, including Income Tax. After these, and all deductions for charges and expenses of management, the net earnings of the Company

Are	$2,197,082.98
Deduct:	
Four Dividends of 1¾% each on Preferred Stock	386,400.00
Net Applicable to Surplus Account	$1,810,682.98
Deduct:	
Four Cash Dividends of 75 cents per share each on Common Stock	1,144,626.00
Added to Surplus	$666,056.98
Surplus, as per Statement of December 31, 1923	2,610,745.69
SURPLUS, December 31, 1924	$3,276,802.67

The balance sheet is herewith submitted.

I. L. ELLIOTT, Treasurer.

United States Tobacco Company

FINANCIAL STATEMENT

December 31, 1924

ASSETS

Real Estate, Machinery, Fixtures, Trade Marks, Goodwill, etc	$7,047,540.12
Leaf, Manufactured Stock, Supplies, etc	7,781,200.71
Securities of other Companies	2,811,676.64
CASH	2,994,289.22
Bills and Accounts Receivable	4,194,978.32
	$24,829,685.01

LIABILITIES

Capital Stock:		
Preferred Stock par value $100.00 per share		
Authorized	$9,000,000.00	
Unissued	3,480,000.00	
Outstanding		$5,520,000.00
Capital Stock:		
Common Stock no par value		
Authorized	600,000 shares	
Unissued	218,458 "	
Outstanding	381,542 "	11,128,300.00
Provision for Dividend on Preferred Stock payable January 2, 1925		96,600.00
Provision for Dividend on Common Stock payable January 2, 1925		286,156.50
Provision for Advertising, Insurance, Discounts, Real Estate, Machinery, Fixtures, Taxes, etc.		4,092,734,57
Bills and Accounts Payable		429,091.27
SURPLUS		3,276,802.67
		$24,829,685.01

338.7
Un587
1925

Annual Report
and
Financial Statement

Fiscal Year Ending December 31, 1925

THE LIBRARY OF THE
SEP 17 1951

Jersey City, N. J., March 2, 1926.

The

TREASURER'S REPORT

to the

STOCKHOLDERS

of the

United States Tobacco Company

of New Jersey

The Treasurer herewith respectfully submits a report of the financial condition of your Company for the year ending December 31, 1925.

Provision has been made out of the earnings for the year for all taxes, including Income Tax. After these, and all deductions for charges and expenses of management, the net earnings of the Company

Are	$2,298,306.96
Deduct:	
Four Dividends of 1¾% each on Preferred Stock	386,400.00
Net Applicable to Surplus Account	$1,911,906.96
Deduct:	
Four Cash Dividends of 75 cents per share each on Common Stock	1,144,626.00
Added to Surplus	$ 767,280.96
Surplus, as per Statement of December 31, 1924	3,276,802.67
SURPLUS, December 31, 1925	$4,044,083.63

The balance sheet is herewith submitted.

I. L. ELLIOTT, Treasurer.

United States Tobacco Company

FINANCIAL STATEMENT

December 31, 1925

ASSETS

Real Estate, Machinery, Fixtures, Trade Marks, Goodwill, etc.	$7,194,452.72
Leaf, Manufactured Stock, Supplies, etc., at cost	8,191,257.13
Securities of other Companies	2,905,480.10
CASH	2,943,074.86
Bills Receivable	1,704,124.80
Accounts Receivable	3,494,239.22
	$26,432,628.83

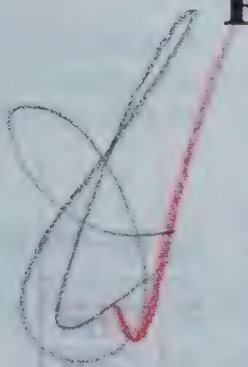
LIABILITIES

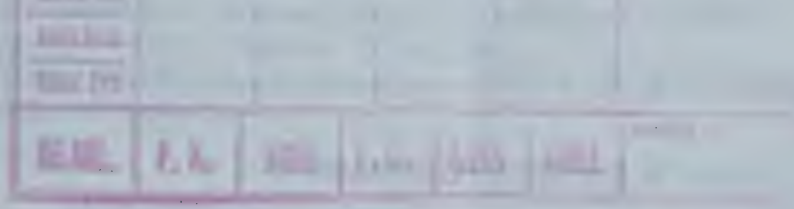
Capital Stock:		
Preferred Stock par value $100.00 per share		
Authorized	$9,000,000.00	
Unissued	3,480,000.00	
Outstanding		$5,520,000.00
Capital Stock:		
Common Stock no par value		
Authorized	600,000 shares	
Unissued	218,458 "	
Outstanding	381,542 "	11,128,300.00
Provision for Dividend on Preferred Stock payable January 2, 1926		96,600.00
Provision for Dividend on Common Stock payable January 2, 1926		286,156.50
Provision for Advertising, Insurance, Discounts, Real Estate, Machinery, Fixtures, Taxes, Employees' Credits, etc.		5,292,532.50
Accounts Payable		64,956.20
SURPLUS		4,044,083.63
		$26,432,628.83

338.7
Un587
1926

RETURN TO
GALVIN & CO.
STATISTICAL DEPT.

Annual Report and Financial Statement





Fiscal Year Ending December 31, 1926

SEP 17 1927

Jersey City, N. J., February 7, 1927.

The

TREASURER'S REPORT

to the

STOCKHOLDERS

of the

United States Tobacco Company

of New Jersey

The Treasurer herewith respectfully submits a report of the financial condition of your Company for the year ending December 31, 1926.

Provision has been made out of the earnings for the year for all taxes, including Income Tax. After these, and all deductions for charges and expenses of management, the net earnings of the Company

Are	$2,394,837.09
Deduct:	
Four Dividends of 1¾% each on Preferred Stock	386,400.00
Net Applicable to Surplus Account	$2,008,437.09
Deduct:	
Four Cash Dividends of 75 cents per share each on Common Stock	1,144,626.00
Added to Surplus	$ 863,811.09
Surplus, as per Statement of December 31, 1925	4,044,083.63
SURPLUS, December 31, 1926	$4,907,894.72

The balance sheet is herewith submitted.

I. L. ELLIOTT, Treasurer.

United States Tobacco Company

FINANCIAL STATEMENT

December 31, 1926

ASSETS

Real Estate, Machinery, Fixtures, Trade Marks, Goodwill, etc.	$7,270,954.24
Leaf, Manufactured Stock, Supplies, etc., at cost	7,222,263.07
Securities of other Companies	4,331,654.49
CASH	3,042,993.80
Bills Receivable	2,677,134.34
Accounts Receivable	3,954,291.31
	$28,499,291.25

LIABILITIES

Capital Stock:		
Preferred Stock par value $100.00 per share		
Authorized	$9,000,000.00	
Unissued	3,480,000.00	
Outstanding		$5,520,000.00
Capital Stock:		
Common Stock no par value		
Authorized	600,000 shares	
Unissued	218,458 "	
Outstanding	381,542 "	11,128,300.00
Provision for Dividend on Preferred Stock payable January 3, 1927		96,600.00
Provision for Dividend on Common Stock payable January 3, 1927		286,156.50
Provision for Advertising, Insurance, Discounts, Real Estate, Machinery, Fixtures, Taxes, Employees' Credits, etc.		6,478,910.75
Accounts Payable		81,429.28
SURPLUS		4,907,894.72
		$28,499,291.25

338.7
Un587
1927

RECEIVED
FEB 1 3 1928
FILING DEPT.

Annual Report and Financial Statement

Fiscal Year Ending December 31, 1927

SEP 17 1931

Jersey City, N. J., February 13, 1928.

The

TREASURER'S REPORT

to the

STOCKHOLDERS

of the

United States Tobacco Company

of New Jersey

The Treasurer herewith respectfully submits a report of the financial condition of your Company for the year ending December 31, 1927.

Provision has been made out of the earnings for the year for all taxes, including Income Tax. After these, and all deductions for charges and expenses of management, the net earnings of the Company

Are	$2,576,870.68
Deduct:	
Four Dividends of 1¾% each on Preferred Stock	386,400.00
Net Applicable to Surplus Account	$2,190,470.68
Deduct:	
Four Cash Dividends of 75 cents per share each on Common Stock	1,144,626.00
Added to Surplus	$1,045,844.68
Surplus, as per Statement of December 31, 1926	4,907,894.72
SURPLUS, December 31, 1927	$5,953,739.40

The balance sheet is herewith submitted.

I. L. ELLIOTT, Treasurer.

HF5687
.U5
1927

United States Tobacco Company

FINANCIAL STATEMENT

December 31, 1927

ASSETS

Real Estate, Machinery and Fixtures	$2,684,861.37
Trade Marks, Goodwill, etc.	4,596,685.85
Leaf, Manufactured Stock, Supplies, etc., at cost	7,349,722.60
Securities of other Companies	8,063,004.96
CASH	2,914,848.80
Bills Receivable	192,456.24
Accounts Receivable	5,126,749.14
	$30,928,328.96

LIABILITIES

Capital Stock:		
Preferred Stock par value $100.00 per share		
Authorized	$9,000,000.00	
Unissued	3,480,000.00	
Outstanding		$5,520,000.00
Capital Stock:		
Common Stock no par value		
Authorized	600,000 shares	
Unissued	218,458 "	
Outstanding	381,542 "	11,128,300.00
Provision for Dividend on Preferred Stock payable January 3, 1928		96,600.00
Provision for Dividend on Common Stock payable January 3, 1928		286,156.50
Provision for Advertising, Insurance, Discounts, Real Estate, Machinery, Fixtures, Taxes, Employees' Credits, etc.		7,808,875.11
Accounts Payable		134,657.95
SURPLUS		5,953,739.40
		$30,928,328.96

338.7
Un587
1928

RECEIVED
FEB 18 1929
FILING DEPT.

RETURN TO FILE
VAN & CO.
STATISTICAL DEPT.

Annual Report
and
Financial Statement

Fiscal Year Ending December 31, 1928

FEB 18 1929

Jersey City, N. J., February 11, 1929.

The

TREASURER'S REPORT

to the

STOCKHOLDERS

of the

United States Tobacco Company

of New Jersey

The Treasurer herewith respectfully submits a report of the financial condition of your Company for the year ending December 31, 1928.

Provision has been made out of the earnings for the year for all taxes, including Income Tax. After these, and all deductions for charges and expenses of management, the net earnings of the Company

Are	$2,660,390.47
Deduct:	
Four Dividends of 1¾% each on Preferred Stock	386,400.00
Net Applicable to Surplus Account	$2,273,990.47
Deduct:	
Four Cash Dividends of 75 cents per share each on Common Stock	1,144,626.00
Added to Surplus	$1,129,364.47
Surplus, as per Statement of December 31, 1927	5,953,739.40
SURPLUS, December 31, 1928	$7,083,103.87

The balance sheet is herewith submitted.

I. L. ELLIOTT, Treasurer.

338.7
Un5t7
1928

United States Tobacco Company

FINANCIAL STATEMENT

December 31, 1928

ASSETS

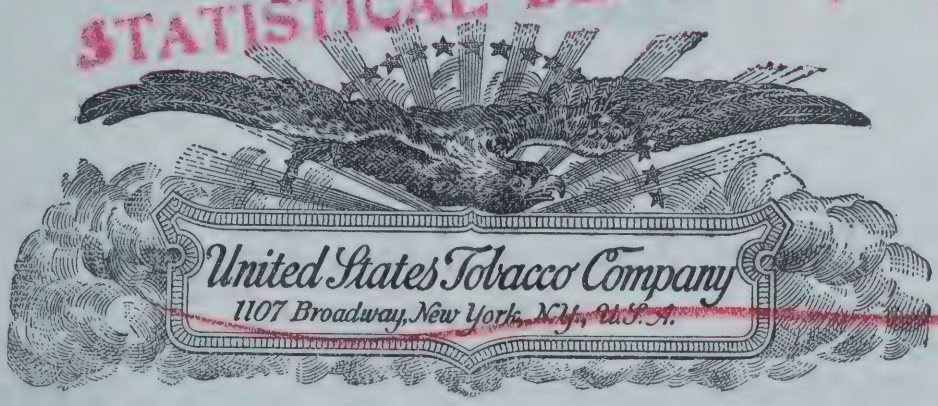
Real Estate, Machinery and Fixtures	$2,779,271.89
Trade Marks, Goodwill, etc	4,599,252.20
Leaf, Manufactured Stock, Supplies, etc., at cost	8,435,334.13
Securities of other Companies	7,723,754.76
CASH	2,924,283.53
Bills Receivable	1,435,448.86
Accounts Receivable	5,075,482.32
	$32,972,827.69

LIABILITIES

Capital Stock:		
Preferred Stock par value $100.00 per share		
Authorized	$9,000,000.00	
Unissued	3,480,000.00	
Outstanding		$5,520,000.00
Capital Stock:		
Common Stock no par value		
Authorized	600,000 shares	
Unissued	218,458 "	
Outstanding	381,542 "	11,128,300.00
Provision for Dividend on Preferred Stock payable January 2, 1929		96,600.00
Provision for Dividend on Common Stock payable January 2, 1929		286,156.50
Provision for Advertising, Insurance, Discounts, Real Estate, Machinery, Fixtures, Taxes, Employees' Credits, etc.		8,707,349.39
Accounts Payable		151,317.93
SURPLUS		7,083,103.87
		$32,972,827.69

338.7
Un587
1929

RETURN TO FILE
COLVIN & CO.
STATISTICAL DEPT.



Annual Report
and
Financial Statement

RECEIVED
FEB 11 1930
FILING DEPT.
COLVIN & CO.
STATISTICAL DEPT.
RETURN TO FILE
COLVIN & CO.

Fiscal Year Ending December 31, 1929

SEP 12 1974

Jersey City, N. J., February 10, 1930.

The

TREASURER'S REPORT

to the

STOCKHOLDERS

of the

United States Tobacco Company

of New Jersey

The Treasurer herewith respectfully submits a report of the financial condition of your Company for the year ending December 31, 1929.

Provision has been made out of the earnings for the year for all taxes, including Income Tax. After these, and all deductions for charges and expenses of management, the net earnings of the Company

Are	$2,771,037.53
Deduct:	
Four Dividends of 1¾% each on Preferred Stock	386,400.00
Net Applicable to Surplus Account	$2,384,637.53
Deduct:	
Four Cash Dividends on Common Stock (two of 75 cents and two of $1.00 per share each)	1,411,612.00
Added to Surplus	$973,025.53
Surplus, as per Statement of December 31, 1928	7,083,103.87
Transferred to Surplus from Provision for Advertising Accumulated prior to the year 1929	1,000,000.00
TOTAL	$9,056,129.40
Stock Dividend of 20% on Common Stock	3,815,400.00
SURPLUS, December 31, 1929	$5,240,729.40

The balance sheet is herewith submitted.

I. L. ELLIOTT, Treasurer.

-52.7
U.S.T.
1929

United States Tobacco Company

FINANCIAL STATEMENT

December 31, 1929

ASSETS

Real Estate, Machinery and Fixtures	$3,077,555.40
Trade Marks, Goodwill, etc	4,599,282.20
Leaf, Manufactured Stock, Supplies, etc., at cost	8,522,720.92
Securities of other Companies	8,286,640.23
CASH	3,167,560.36
Bills Receivable	2,650,913.09
Accounts Receivable	4,891,633.60
	$35,196,305.80

LIABILITIES

Capital Stock:		
Preferred Stock par value $100.00 per share		
Authorized	$9,000,000.00	
Unissued	3,480,000.00	
Outstanding		$5,520,000.00
Capital Stock:		
Common Stock no par value		
Authorized	600,000 shares	
Unissued	142,150 "	
Outstanding	457,850 "	14,943,700.00
Provision for Dividend on Preferred Stock payable January 2, 1930		96,600.00
Provision for Dividend on Common Stock payable January 2, 1930		457,757.00
Provision for Advertising, Insurance, Discounts, Real Estate, Machinery, Fixtures, Taxes, Employees' Credits, etc.		8,811,211.67
Accounts Payable		126,307.73
SURPLUS		5,240,729.40
		$35,196,305.80

338.7
Un587
1930

Annual Report
and
Financial Statement

JUN 4 1931

Fiscal Year Ending December 31, 1930

SEP 17 1931

Jersey City, N. J., February 9, 1931.

The

TREASURER'S REPORT

to the

STOCKHOLDERS

of the

United States Tobacco Company

of New Jersey.

The Treasurer herewith respectfully submits a report of the financial condition of your Company for the year ending December 31, 1930.

Provision has been made out of the earnings for the year for all taxes, including Income Tax. After these, and all deductions for charges and expenses of management, the net earnings of the Company

Are	$2,950,817.85
Deduct:	
Four Dividends of 1¾% each on Preferred Stock	386,400.00
Net Applicable to Surplus Account	$2,564,417.85
Deduct:	
Four Cash Dividends on Common Stock of $1.00 per share each	1,831,400.00
Added to Surplus	$ 733,017.85
Surplus, as per Statement of December 31, 1929	5,240,729.40
SURPLUS, December 31, 1930	$5,973,747.25

The balance sheet is herewith submitted.

I. L. ELLIOTT, Treasurer.

United States Tobacco Company

FINANCIAL STATEMENT

December 31, 1930

ASSETS

Real Estate, Machinery and Fixtures	$ 4,045,199.92
Trade Marks, Goodwill, etc	4,603,663.40
Inventories at Cost	10,875,419.03
Securities in Non-Competing Companies	11,767,835.29*
CASH	3,751,258.10
Bills Receivable	99,372.76
Accounts Receivable	1,513,622.79
Deferred and Prepaid Charges	147,509.49
	$36,803,880.78

LIABILITIES

Capital Stock:		
Preferred Stock par value $100.00 per share		
Authorized	$9,000,000.00	
Unissued	3,480,000.00	
Outstanding		$ 5,520,000.00
Capital Stock:		
Common Stock no par value		
Authorized	600,000 shares	
Unissued	142,150 "	
Outstanding	457,850 "	14,943,700.00
Preferred Dividend Payable January 2, 1931		96,600.00
Common Dividend Payable January 2, 1931		457,850.00
Accounts Payable		63,290.36
Provision for Depreciation		2,078,285.13
Provision for Advertising, Insurance, Discounts, Taxes, Employees' Credits, etc.		7,670,408.04
SURPLUS		5,973,747.25
		$36,803,880.78

*Includes Preferred Stock of the Company purchased with a view to retirement.

338.7
Un587
1931

Pitts, Hebrew & Co.
FILE COPY
FEB 18 1932

Annual Report and Financial Statement

Fiscal Year Ended December 31, 1931

SEP 17 1971

Jersey City, N. J., February 8, 1932.

The

TREASURER'S REPORT

to the

STOCKHOLDERS

of the

United States Tobacco Company

of New Jersey.

The Treasurer herewith respectfully submits a report of the financial condition of your Company for the year ended December 31, 1931.

Net earnings for the year, after deducting all expenses and making provision for Depreciation, Income Taxes, Development of Brands, Contingencies, etc.

Were	$3,020,778.93
Deduct:	
Four Dividends of 1¾% each on Preferred Stock	182,000.00
Net Applicable to Surplus Account	2,838,778.93
Deduct:	
Four Dividends of $1.10 per share each on Common Stock	2,014,540.00
Added to Surplus	824,238.93
Surplus, as per Statement of December 31, 1930	5,973,747.25
Total	6,797,986.18
Premium on 29,200 shares of Preferred Stock retired during year	660,196.08
SURPLUS, December 31, 1931	$6,137,790.10

The Financial Statement is herewith submitted.

I. L. ELLIOTT, Treasurer.

United States Tobacco Company

FINANCIAL STATEMENT

December 31, 1931

ASSETS

CASH	$ 3,790,355.25
Time Deposits with Banks	2,000,000.00
Bills Receivable	90,057.72
Accounts Receivable	1,585,743.78
Inventories at Cost	10,329,048.47
Securities in Non-Competing Companies	8,326,456.53
Land, Buildings and Equipment	4,145,462.00
Deferred and Prepaid Charges	107,534.75
Trade Marks, Goodwill, etc.	4,521,953.86
	$34,896,612.36

LIABILITIES

Accounts Payable	$ 74,189.19
Preferred Dividend Payable January 2, 1932	45,500.00
Common Dividend Payable January 2, 1932	503,635.00
Reserve for Depreciation	2,264,985.35
Reserve for Taxes, Accruals, etc.	1,050,183.72
Reserve for Development of Brands, Contingencies, etc.	7,276,629.00
Capital Stock—Preferred	
Par Value $100.00 per share	
60,800 shares Authorized	
26,000 shares Outstanding	2,600,000.00
Capital Stock—Common	
Non Par Value	
600,000 shares Authorized	
457,850 shares Outstanding	14,943,700.00
Earned SURPLUS	6,137,790.10
	$34,896,612.36

DIRECTORS

J. W. Abbott
L. A. Bowers
J. D. Carhart
C. G. Conn
John M. De Voe
I. L. Elliott
O. C. Hank
J. G. Hayes
W. W. Moss
J. W. Peterson
E. M. Skinner

OFFICERS

John M. De Voe.....*President*
L. A. Bowers.....*Vice President*
J. D. Carhart.....*Vice President*
C. G. Conn.....*Vice President*
O. C. Hank.....*Vice President*
J. W. Peterson.....*Vice President*
I. L. Elliott.....*Secy. and Treas.*
R. J. Kohberger.....*Asst. Secy. and Treas.*
J. W. Abbott.....*Auditor*

Transfer Agent
City Bank Farmers Trust Company
New York, N. Y.

Registrar
The National City Bank of New York
New York, N. Y.

Corporate Office
15 Exchange Place,
Jersey City, N. J.

Executive Office
1107 Broadway,
New York, N. Y.

338.7
Un587
1932

FEB 14 1933

FINANCIAL STATEMENT

For the Year Ended

DECEMBER 31, 1932

SEP 1 7 1931

3 2

Jersey City, N. J., February 11, 1933.

To the Stockholders of

United States Tobacco Company:

I respectfully submit a report of the financial condition of your Company for the year ended December 31, 1932.

I. L. ELLIOTT, Treasurer.

INCOME:		
Operating Profit before Depreciation and Federal Income Taxes	$3,588,169.94	
ADD—		
Dividends, Interest, and Miscellaneous Income—Net	602,852.65	$ 4,191,022.59
DEDUCT—		
Depreciation and Obsolescence	122,832.14	
Federal Income Taxes	533,256.39	656,088.53
NET INCOME for the Year		$ 3,534,934.06
SURPLUS:		
Balance—January 1, 1932	6,137,790.10	
ADD—		
Transferred from General Reserve	2,791,523.49	8,929,313.59
		$12,464,247.65
DEDUCT—		
Dividends:		
Preferred Stock—7%	182,000.00	
Common Stock—$4.40 per share (LESS $77,171.60 applying on shares owned by Company)	1,937,368.40	
Writing down Book Value of Good Will, Brands, Trade Marks, Patents, etc., to nominal value of $1.00	4,461,394.32	6,580,762.72
SURPLUS—December 31, 1932		$ 5,883,484.93

To the Stockholders of

UNITED STATES TOBACCO COMPANY:

We have examined the books of account and record pertaining to the Assets and Liabilities of UNITED STATES TOBACCO COMPANY, New York, N. Y., at December 31, 1932, and also generally reviewed the operating accounts for the year then ended. Based upon our examination and information submitted to us, it is our opinion that the annexed Financial Statement sets forth the financial condition of the Company at December 31, 1932, and that the accompanying Income and Surplus Account is correct. Inventories of Leaf Tobacco, Manufactured Product, and Supplies are valued at cost as in former years. No contingent liabilities were reported to us, and as far as we could ascertain none existed.

ERNST & ERNST.

FINANCIAL STATEMENT

December 31, 1932

ASSETS

CURRENT:		
Cash on Deposit and on Hand	$ 5,334,797.17	
Certificates of Deposit	1,200,000.00	
Notes, Acceptances, and Accounts Receivable Customers (Net)	1,013,855.30	
Leaf Tobacco, Manufactured Product, and Supplies	9,886,065.84	
Marketable Securities (at Market Value)	3,492,485.55	$20,927,203.86
OTHER ASSETS:		
United States Tobacco Company Common Stock 19,334 shares at cost	1,111,583.50	
Capital Stocks of other Companies	600,039.44	
Notes and Accounts Receivable—Other	753,767.29	2,465,390.23
PERMANENT:		
Land, Buildings, and Equipment	4,124,083.36	
LESS: Reserve for Depreciation and Obsolescence	2,273,860.81	1,850,222.55
GOOD WILL, BRANDS, TRADE MARKS, PATENTS, etc.		1.00
PREPAID EXPENSES		43,310.19
		$25,286,127.83

LIABILITIES

CURRENT:		
Accounts Payable (not due)	$ 543,345.51	
Accrued Taxes and Expenses, including Federal Income Taxes	666,462.39	
Dividends Payable—January 2, 1933:		
Preferred Stock	45,500.00	
Common Stock	503,635.00	1,758,942.90
GENERAL RESERVE		100,000.00
CAPITAL STOCK and SURPLUS		
Preferred Stock—Par Value $100.00 per share		
Authorized — 60,800 shares		
Outstanding— 26,000 shares	2,600,000.00	
Common Stock —No Par Value		
Authorized —600,000 shares		
Outstanding—457,850 shares	14,943,700.00	
Earned Surplus	5,883,484.93	23,427,184.93
		$25,286,127.83

DIRECTORS

J. W. Abbott
L. A. Bowers
J. D. Carhart
C. G. Conn
John M. De Voe
I. L. Elliott
O. C. Hank
John G. Hayes
Wm. Warner Moss
J. W. Peterson
E. M. Skinner

OFFICERS

John M. De Voe.....*President*
L. A. Bowers.....*Vice President*
J. D. Carhart.....*Vice President*
C. G. Conn.....*Vice President*
O. C. Hank.....*Vice President*
John G. Hayes.....*Vice President*
J. W. Peterson.....*Vice President*
I. L. Elliott.....*Secy. and Treas.*
R. J. Kohberger.....*Asst. Secy. and Asst. Treas.*
J. W. Abbott.....*Auditor*

Transfer Agent

City Bank Farmers Trust Company
New York, N. Y.

Registrar

The National City Bank of New York
New York, N. Y.

Auditors

Ernst & Ernst

Corporate Office

15 Exchange Place,
Jersey City, N. J.

Executive Office

1107 Broadway,
New York, N. Y.

338.7
Un587
1933

ANNUAL REPORT
and
FINANCIAL STATEMENT
For the Year Ended
DECEMBER 31, 1933

SEP 1 7 1951

Jersey City, N. J., February 13, 1934.

To the Stockholders of

United States Tobacco Company:

I respectfully submit a report of the financial condition of your Company for the year ended December 31, 1933.

I. L. ELLIOTT, Treasurer.

INCOME:		
Operating Profit before Depreciation and Federal Income Taxes	$3,557,463.22	
ADD—		
Dividends, Interest, and Miscellaneous Income—Net	466,542.93	$4,024,006.15
DEDUCT—		
Depreciation and Obsolescence	$ 136,324.92	
Federal Income Taxes	491,199.40	627,524.32
NET INCOME for the Year		$3,396,481.83
SURPLUS:		
Balance—January 1, 1933	$5,883,484.93	
ADD—		
Profit on Sale of Company's Treasury Common Stock	475,683.05	6,359,167.98
		$9,755,649.81
DEDUCT—		
Dividends:		
Preferred Stock—7% (Less $3,909.50 applying on shares owned by Company)	$ 178,090.50	
Common Stock—$4.40 per share (Less $29,697.80 applying on shares during period owned by Company)	1,984,842.20	
Common Stock—Special Dividend $5.00 per share	2,289,250.00	4,452,182.70
SURPLUS—December 31, 1933		$5,303,467.11

To the Board of Directors of

UNITED STATES TOBACCO COMPANY:

We made an examination of the books of account and record pertaining to the assets and liabilities of UNITED STATES TOBACCO COMPANY, NEW YORK, N. Y., as at December 31, 1933, which included without detailed audit a general review of the operating and surplus accounts for the year then ended.

Based upon such examination and information submitted to us, it is our opinion that the accompanying Financial Statement and related Income and Surplus Account fairly present, in accordance with accepted principles of accounting consistently followed by the Company, its financial position at December 31, 1933 and the results of its operations and changes in surplus for the year.

Inventories of Leaf Tobacco, Manufactured Product and Supplies are valued at cost as in former years. No contingent liabilities were reported to us, and as far as we could ascertain none existed.

ERNST & ERNST.

FINANCIAL STATEMENT

December 31, 1933

ASSETS

CURRENT:		
Cash on Deposit and on Hand	$7,688,972.81	
Certificates of Deposit	1,200,000.00	
Notes, Acceptances, and Accounts Receivable—Customers (Net)	1,066,314.01	
Leaf Tobacco, Manufactured Product, and Supplies	8,762,451.22	
Marketable Securities (at lower of Cost or Market)	6,340,318.14	$25,058,056.18
OTHER ASSETS:		
United States Tobacco Company Preferred Stock 2,229 shares at cost	$ 265,924.96	
Capital Stocks of other Companies	600,039.44	
Notes and Accounts Receivable—Other	209,051.06	1,075,015.46
PERMANENT:		
Land, Buildings, and Equipment	$4,123,997.45	
LESS: Reserve for Depreciation and Obsolescence	2,354,199.67	1,769,797.78
GOOD WILL, BRANDS, TRADE MARKS, PATENTS, etc.		1.00
PREPAID EXPENSES		53,152.10
		$27,956,022.52

LIABILITIES

CURRENT:		
Accounts Payable (not due)	$ 427,739.21	
Accrued Taxes and Expenses, including Federal Income Taxes	625,277.19	
Dividends Payable—January 2, 1934:		
Preferred Stock	41,599.25	
Common Stock	2,792,885.00	$ 3,887,500.65
GENERAL RESERVE		1,221,354.76
CAPITAL STOCK AND SURPLUS		
Preferred Stock—Par Value $100.00 per share		
Authorized —60,800 shares		
Outstanding—26,000 shares	2,600,000.00	
Common Stock—No Par Value		
Authorized —600,000 shares		
Outstanding—457,850 shares	14,943,700.00	
Earned Surplus	5,303,467.11	22,847,167.11
		$27,956,022.52

1933

DIRECTORS AND OFFICERS

JOHN M. DE VOE.....*Director and President*

L. A. BOWERS.....*Director and Vice President*
Manager of Nashville, Tennessee, Branch

J. D. CARHART.....*Director and Vice President*
Department Manager of Sales

C. G. CONN.....*Director and Vice President*
Department Manager of Sales

O. C. HANK.....*Director and Vice President*
Manager of Leaf Department Branches

JOHN G. HAYES.....*Director and Vice President*
Manager of Richmond, Virginia, Branch

J. W. PETERSON.....*Director and Vice President*
Department Manager of Sales

I. L. ELLIOTT.....*Director and Secretary and Treasurer*

J. W. ABBOTT.....*Director and Auditor*

WM. WARNER MOSS.....*Director*
Department Manager of Sales

E. M. SKINNER.....*Director*
Manager of Chicago, Illinois, Branch

R. J. KOHBERGER.....*Assistant Secretary and Assistant Treasurer*

Transfer Agent

City Bank Farmers Trust Company
New York, N. Y.

Registrar

The National City Bank of New York
New York, N. Y.

Auditors

Ernst & Ernst

Corporate Office

15 Exchange Place,
Jersey City, N. J.

Executive Office

1107 Broadway,
New York, N. Y.

February 13, 1934.

To the Stockholders of

United States Tobacco Company:

There is submitted herewith the Treasurer's Report of your Company, the Financial Statement at December 31, 1933, and the report of our independent auditors.

Net earnings for the year 1933, after deducting all charges—including depreciation, federal taxes, etc., were $3,396,481.83, compared with $3,534,934.06 for 1932. Earnings for 1933, after deducting Preferred Dividends, are equal to $7.03 per share on 457,850 shares of Common Stock outstanding at December 31, 1933. These earnings do not include profit of $475,683.05 from the sale of Treasury Common Stock in 1933—this having been added directly to Surplus.

Cash dividends were paid during 1933 at the rate of 7% on the Preferred Stock, and $4.40 per share on the Common Stock—the same rate as in recent years. A special dividend of $5.00 per share, amounting to $2,289,250.00 was declared on the Common Stock of the Company, payable on January 2, 1934, which, after applying the profit on sale of Treasury Common Stock and the remainder of earnings for 1933, reduced our Surplus by the amount of $580,017.82.

The accompanying Financial Statement of your Company reflects its strong financial condition at December 31, 1933. Net current assets at that date aggregated $21,170,555.53, compared with $19,168,260.96 at December 31, 1932. Marketable securities are carried in the annexed Financial Statement at the lower of cost or market, and the increase in value to that basis during 1933 has been carried to General Reserve, representing the entire increase in that account.

The Company, at December 31, 1933, as shown in the Financial Statement, held 2,229 shares of its own Preferred Stock which was purchased during the year at a cost of $265,924.96. This investment is not included in the aforementioned net current assets or marketable securities.

The Company has followed its long-standing policy of keeping its plants and equipment at a high standard of efficiency, and also of carrying well-balanced inventories of carefully selected Tobaccos and supplies suitable for the special requirements of its trade.

By Order of the Board of Directors,

JOHN M. DE VOE, *President.*

338.7
Un587
1934

ANNUAL REPORT
and
FINANCIAL STATEMENT
For the Year Ended
DECEMBER 31, 1934

MAR 7 1935

THE LIBRARY OF THE
SEP 17 1951

34

Last first

Jersey City, N. J., February 11, 1935.

To the Stockholders of

United States Tobacco Company:

I respectfully submit a report of the financial condition of your Company for the year ended December 31, 1934.

I. L. ELLIOTT, Treasurer.

INCOME:		
Operating Profit before Depreciation and Federal Income Taxes	$3,582,871.77	
ADD—		
Dividends, Interest, and Miscellaneous Income—Net	445,188.59	$4,028,060.36
DEDUCT—		
Depreciation and Obsolescence	$ 122,397.05	
Federal Income Taxes	494,547.33	616,944.38
NET INCOME for the Year		$3,411,115.98
SURPLUS:		
Balance—January 1, 1934		5,303,467.11
		$8,714,583.09
DEDUCT—		
Dividends:		
Preferred Stock—7% (less $17,062.50 applying on shares owned by Company)	$ 164,937.50	
Common Stock—$4.85 per share	2,220,572.50	
Common Stock—Special Dividend of $2.25 per share	1,030,162.50	
Additional Federal Income Taxes—prior years	14,624.22	3,430,296.72
SURPLUS—December 31, 1934		$5,284,286.37

FINANCIAL STATEMENT

December 31, 1934

ASSETS

CURRENT:		
Cash on Deposit and on Hand	$7,129,647.70	
Notes, Acceptances, and Accounts Receivable—Customers (net)	1,242,192.46	
Leaf Tobacco, Manufactured Products, and Supplies	9,129,131.36	
Marketable Securities (at lower of cost or market)	6,923,226.72	$24,424,198.24
OTHER ASSETS:		
United States Tobacco Company Preferred Stock—2,663 shares at cost	$ 328,906.40	
Capital Stocks of other companies	600,039.44	
Notes and Accounts Receivable—Other	90,387.59	1,019,333.43
PERMANENT:		
Land, Buildings and Equipment	$4,277,604.82	
LESS: Reserve for Depreciation and Obsolescence	2,428,038.37	1,849,566.45
GOODWILL, BRANDS, TRADE MARKS, PATENTS, etc.		1.00
PREPAID EXPENSES		47,018.22
		$27,340,117.34

LIABILITIES

CURRENT:		
Accounts Payable (not due)	$ 416,043.47	
Accrued Taxes and Expenses, including Federal Income Taxes	646,610.54	
Dividends Payable—January 2, 1935:		
Preferred Stock	40,839.75	
Common Stock	1,602,475.00	$ 2,705,968.76
GENERAL RESERVE		1,806,162.21
CAPITAL STOCK AND SURPLUS:		
Preferred Stock—Par Value $100.00 per share		
Authorized —60,800 shares		
Outstanding—26,000 shares	2,600,000.00	
Common Stock—No Par Value		
Authorized —600,000 shares		
Outstanding—457,850 shares	14,943,700.00	
Earned Surplus	5,284,286.37	22,827,986.37
		$27,340,117.34

REPORT OF AUDITORS

To the Board of Directors of

UNITED STATES TOBACCO COMPANY:

We have made an examination of the Financial Statement of UNITED STATES TOBACCO COMPANY, NEW YORK, N. Y., as at December 31, 1934, and of the statement of Income and Surplus for the year ended at that date. In connection therewith, we examined or tested accounting records of the Company and other supporting evidence; we also made a general review of the accounting methods and of the operating and income accounts for the year, but we did not make a detailed audit of the transactions.

Cash on deposit was confirmed, and marketable securities were accounted for. Inventories of Leaf Tobacco, Manufactured Products and Supplies are valued at cost as in former years. Provision has been made in the Financial Statement for all ascertained liabilities, including accrued taxes.

In our opinion, based upon our examination and information submitted to us, the accompanying Financial Statement and related statement of Income and Surplus, fairly present, in accordance with accepted principles of accounting consistently followed by the Company, its financial condition at December 31, 1934, and the results of its operation and changes in surplus for the year then ended.

ERNST & ERNST.

New York, February 9, 1935.

DIRECTORS AND OFFICERS

JOHN M. DE VOE.....*Director and President*

L. A. BOWERS.....*Director and Vice President*
Manager of Nashville, Tennessee, Branch

J. D. CARHART.....*Director and Vice President*
Department Manager of Sales

C. G. CONN.....*Director and Vice President*
Department Manager of Sales

O. C. HANK.....*Director and Vice President*
Manager of Leaf Department Branches

JOHN G. HAYES.....*Director and Vice President*
Manager of Richmond, Virginia, Branch

J. W. PETERSON.....*Director and Vice President*
Department Manager of Sales

I. L. ELLIOTT.....*Director and Secretary and Treasurer*

J. W. ABBOTT.....*Director and Auditor*

WM. WARNER MOSS.....*Director*
Department Manager of Sales

E. M. SKINNER.....*Director*
Manager of Chicago, Illinois, Branch

R. J. KOHBERGER.....*Assistant Secretary and Assistant Treasurer*

Transfer Agent
CITY BANK FARMERS TRUST COMPANY
New York, N. Y.

Registrar
THE NATIONAL CITY BANK OF NEW YORK
New York, N. Y.

Auditors
ERNST & ERNST
New York, N. Y.

Corporate Office
15 EXCHANGE PLACE
Jersey City, N. J.

Executive Office
1107 BROADWAY
New York, N. Y.

February 11, 1935.

To the Stockholders of

United States Tobacco Company:

The Treasurer's Report of your Company, the Financial Statement at December 31, 1934, and the report of our independent auditors are submitted herewith.

As shown in the accompanying Income Account, net earnings for the year 1934, after deducting all charges including depreciation and Federal taxes, amount to $3,411,115.98, compared with $3,396,481.83 for the previous year. The earnings for 1934, after deducting Preferred Dividends, are equal to $7.09 per share on 457,850 shares of Common Stock outstanding, as against $7.03 per share in 1933.

Cash dividends at the rate of 7% were paid on the Preferred Stock during the year. Beginning with the payment on July 2, 1934, the quarterly dividend rate on the Common Stock was increased from $1.10 to $1.25 per share. The total dividends declared on the Common Stock during the year 1934 amounted to $7.10 per share, of which $2.25 per share was a special dividend.

The Financial Statement of your Company at December 31, 1934, reflects its continuing strong financial condition, the net current assets at the close of the year amounting to $21,718,229.48, compared with $21,170,555.53 at December 31, 1933. As in the previous year, marketable securities are carried at the lower of cost or market, and the increase in value to that basis during 1934 has been credited to General Reserve, representing the entire increase in that account.

The Company holds 2,663 shares of its own Preferred Stock, which are shown separately in the Financial Statement at cost.

For the information of Stockholders there are listed below a few of our leading, well-known and valuable brands:

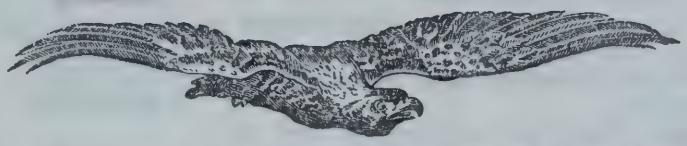
Moist Snuff	Dry Snuff	Smoking Tobacco
Copenhagen	Bruton's	Dill's Best
Seal	Rooster	Model
Anchor	Red Seal	Old Briar

The quality and superiority of these, as well as all of our other brands, are continuously maintained at the highest standard.

Inventories of Leaf Tobacco are well balanced, and consist of carefully selected high-grade tobaccos, fully adequate to meet the exacting requirements of our brands.

JOHN M. DE VOE, *President.*

338.7
Un587
1935



UNITED STATES TOBACCO COMPANY

630 Fifth Avenue, New York, N. Y.

ANNUAL REPORT
and
FINANCIAL STATEMENT

For the Year Ended

December 31, 1935

SEP 17 1951

Jersey City, N. J., February 10, 1936.

To the Stockholders of

United States Tobacco Company:

I respectfully submit a report of the financial condition of your Company for the year ended December 31, 1935.

I. L. ELLIOTT, Treasurer.

INCOME:		
Operating Profit before Depreciation and Federal Income Taxes	$3,600,882.82	
ADD—		
Dividends, Interest and Miscellaneous Income—Net	646,447.60	$4,247,330.42
DEDUCT—		
Depreciation and Obsolescence	$ 138,051.95	
Federal Income Taxes	515,637.84	653,689.79
NET INCOME for the Year		$3,593,640.63
SURPLUS:		
Balance—January 1, 1935		5,284,286.37
		$8,877,927.00
DEDUCT—		
Dividends:		
Preferred Stock—7%	$ 163,359.00	
Common Stock—$5.00 per share	2,289,250.00	
Common Stock—Special dividend of $2.00 per share	915,700.00	
Excess of cost over par value of Preferred Stock in Treasury	62,606.40	3,430,915.40
SURPLUS—December 31, 1935		$5,447,011 60

Un5c7
1935

FINANCIAL STATEMENT

ASSETS

CURRENT:			
Cash on Deposit and on Hand		$7,033,763.31	
Notes, Acceptances, and Accounts Receivable—Customers (Net)		1,358,082.45	
Leaf Tobacco, Manufactured Products, and Supplies		9,458,037.89	
Marketable Securities (at lower of cost or market)			
U. S. Government Short Term Notes	$2,745,149.77		
Preferred Stocks	3,907,472.58		
Common Stocks	717,799.52		
Industrial Bonds	483,155.02		
State and Municipal Bonds	170,653.45	8,024,230.34	$25,874,113.99
OTHER ASSETS:			
Capital Stocks of Other Companies		$ 600,039.44	
Notes and Accounts Receivable—Other		106,159.90	706,199.34
PERMANENT:			
Land, Buildings and Equipment		$4,702,024.38	
LESS: Reserve for Depreciation and Obsolescence		2,510,309.18	2,191,715.20
GOODWILL, BRANDS, TRADE MARKS, PATENTS, etc.			1.00
PREPAID EXPENSES			48,853.13
			$28,820,882.66

LIABILITIES

CURRENT:			
Accounts Payable (not due)		$ 528,193.57	
Accrued Taxes and Expenses, including Federal Income Taxes		648,770.29	
Dividends Payable—January 2, 1936:			
Preferred Stock		40,839.75	
Common Stock		1,488,012.50	$2,705,816.11
GENERAL RESERVE			3,390,654.95
CAPITAL STOCK AND SURPLUS:			
Preferred Stock—Par Value $100.00 per share Authorized —60,800 shares In Treasury — 2,663 shares Outstanding—23,337 shares		2,333,700.00	
Common Stock—No Par Value Authorized —600,000 shares Outstanding—457,850 shares		14,943,700.00	
Earned Surplus		5,447,011.60	22,724,411.60
			$28,820,882.66

REPORT OF AUDITORS

To the Board of Directors of

UNITED STATES TOBACCO COMPANY:

We have made an examination of the Financial Statement of UNITED STATES TOBACCO COMPANY, New York, N. Y., as at December 31, 1935, and of the statement of Income and Surplus for the year ended at that date. In connection therewith, we examined or tested accounting records of the Company and other supporting evidence; we also made a general review of the accounting methods and of the operating and income accounts for the year, but we did not make a detailed audit of the transactions.

Cash on deposit was confirmed, and marketable securities were accounted for. Inventories of Leaf Tobacco, Manufactured Products, and Supplies are valued at cost as in former years. Provision has been made in the Financial Statement for all ascertained liabilities, including accrued taxes.

In our opinion, based upon our examination and information submitted to us, the accompanying Financial Statement and related statement of Income and Surplus, fairly present the financial position of the Company at December 31, 1935, and the results of its operation and changes in surplus for the year then ended. Further, the statements have been prepared in accordance with accepted accounting principles and on a basis consistent with the preceding year.

ERNST & ERNST.

NEW YORK, February 8, 1936.

DIRECTORS AND OFFICERS

JOHN M. DE VOE.....*Director and President*

L. A. BOWERS.....*Director and Vice President*
Manager of Nashville, Tennessee, Branch

J. D. CARHART.....*Director and Vice President*
Department Manager of Sales

C. G. CONN.....*Director and Vice President*
Department Manager of Sales

O. C. HANK.....*Director and Vice President*
Manager of Leaf Department Branches

JOHN G. HAYES.....*Director and Vice President*
Manager of Richmond, Virginia, Branch

J. W. PETERSON.....*Director and Vice President*
Department Manager of Sales

I. L. ELLIOTT.....*Director and Secretary and Treasurer*

J. W. ABBOTT.....*Director and Auditor*

F. W. BROOK.....*Director*
Department Manager of Sales

WM. WARNER MOSS.....*Director*
Department Manager of Sales

R. J. KOHBERGER.....*Assistant Secretary and Assistant Treasurer*

Transfer Agent
CITY BANK FARMERS TRUST COMPANY
New York, N. Y.

Registrar
THE NATIONAL CITY BANK OF NEW YORK
New York, N. Y.

Auditors
ERNST & ERNST
New York, N. Y.

Corporate Office
15 EXCHANGE PLACE
Jersey City, N. J.

Executive Office
630 FIFTH AVENUE
New York, N. Y.

February 10, 1936.

To the Stockholders of

United States Tobacco Company:

The Treasurer's Report of your Company, and the report of our independent auditors for the year ended December 31, 1935, are submitted herewith.

Net earnings for the year amounted to $3,593,640.63, after deducting all charges, including Provision for Depreciation and Federal Taxes, compared with $3,411,115.98 for the preceding year. The earnings for 1935, after providing for Preferred Dividends, are equal to $7.49 per share of Common Stock outstanding, compared with $7.09 per share in 1934. A major part of this increase in earnings is the result of a substantial dividend received by the Company late in December 1935 on one of its investments, an early recurrence of which cannot be expected.

Cash dividends of $7.00 per share were declared on the Preferred Stock during the year. Cash dividends of $1.25 each were paid quarterly throughout the year on the Common Stock, which together with a special cash dividend of $2.00 per share, made a total of $7.00 per share declared in that period on the Common Stock.

The strong financial condition of your Company at December 31, 1935, is reflected by the accompanying Financial Statement. Net Current assets at the close of the year amounted to $23,168,297.88, compared with $21,718,229.48 at December 31, 1934. As in the previous year marketable securities are carried at the lower of cost or market, and the increase in value to that basis during 1935 has been credited to General Reserve, representing the increase in that account for the year.

No change has occurred during the year in the number of shares of its own Preferred Stock held by the Company. However, these shares have now been deducted from outstanding Preferred Stock at par value, and the difference between that figure and the cost of such shares has been charged to Surplus Account.

The Company has recently constructed at its Nashville plant a five-story reinforced concrete and brick building for the packing and finishing departments at that point. This new unit provides more efficient as well as increased facilities, and greatly improved working conditions for employees.

Because of the inadequacy of its previous quarters which it had occupied for almost twenty years and on which its lease will soon expire, a new location was selected for the administrative, general selling, and executive offices of the Company at Rockefeller Center, 630 Fifth Avenue, New York, N. Y. It is believed that this more convenient location will be to the advantage of the Company.

JOHN M. DE VOE, *President.*

338.7
Un587
1936

UNITED STATES TOBACCO COMPANY

630 Fifth Avenue, New York, N. Y.

RECD
SEP 1 - 1937

ANNUAL REPORT
and
FINANCIAL STATEMENT

For the Year Ended

December 31, 1936

Jersey City, N. J., February 8, 1937.

To the Stockholders of

United States Tobacco Company:

I respectfully submit a report of the financial condition of your Company for the year ended December 31, 1936.

I. L. ELLIOTT, Treasurer.

INCOME:		
Operating Profit before Depreciation and Federal Income Taxes	$4,356,889.72	
ADD—		
Dividends, Interest and Miscellaneous Income—Net	672,480.50	$5,029,370.22
DEDUCT—		
Depreciation and Obsolescence	$ 135,688.80	
Federal Income Taxes	657,818.03	793,506.83
NET INCOME for the Year		$4,235,863.39
SURPLUS:		
Balance—January 1, 1936		5,447,011.60
		$9,682,874.99
DEDUCT—		
Dividends:		
Preferred Stock—7%	$ 163,359.00	
Common Stock—$5.00 per share	2,289,250.00	
Common Stock—Special dividend of $3.75 per share	1,716,937.50	4,169,546.50
SURPLUS—December 31, 1936		$5,513,328.49

FINANCIAL STATEMENT

ASSETS

CURRENT:			
Cash on Deposit and on Hand		$5,294,485.03	
Notes, Acceptances and Accounts Receivable—Customers (Net)		1,408,327.60	
Leaf Tobacco, Manufactured Products and Supplies		9,874,543.47	
Marketable Securities (at lower of cost or market)			
U. S. Government Short Term Notes	$2,643,124.86		
Preferred Stocks	3,965,768.42		
Common Stocks	914,710.91		
Industrial Bonds	727,500.45		
State, Municipal and other Bonds	267,284.37	8,518,389.01	$25,095.745.11
OTHER ASSETS:			
Capital Stocks of Other Companies		$ 600,039.44	
Notes and Accounts Receivable—Other		123,606.28	723,645.72
PROPERTY, PLANT AND EQUIPMENT:			
Land, Buildings and Equipment		$5,144,864.44	
LESS: Reserve for Depreciation and Obsolescence		2,561,872.90	2,582,991.54
GOODWILL, BRANDS, TRADE MARKS, PATENTS, etc.			1.00
PREPAID EXPENSES			60,455.12
			$28,462,838.49

LIABILITIES

CURRENT:			
Accounts Payable (not due)		$ 653,418.38	
Accrued Taxes and Expenses, including Federal Income Taxes		803,423.15	
Dividends Payable—January 2, 1937:			
Preferred Stock		40,839.75	
Common Stock		572,312.50	$2,069,993.78
GENERAL RESERVE			3,602,116 22
CAPITAL STOCK AND SURPLUS:			
Preferred Stock—Par Value $100.00 per share			
Authorized —60,800 shares			
In Treasury — 2,663 shares			
Outstanding—23,337 shares		$2,333,700.00	
Common Stock—No Par Value			
Authorized —600,000 shares			
Outstanding—457,850 shares		14,943,700.00	
Earned Surplus		5,513,328.49	22,790,728.49
			$28,462,838.49

REPORT OF AUDITORS

To the Board of Directors of
UNITED STATES TOBACCO COMPANY:

We have made an examination of the Financial Statement of UNITED STATES TOBACCO COMPANY, New York, N. Y., as at December 31, 1936, and of the statement of Income and Surplus for the year ended at that date. In connection therewith, we examined or tested accounting records of the Company and other supporting evidence; we also made a general review of the accounting methods and of the operating and income accounts for the year, but we did not make a detailed audit of the transactions.

Cash on deposit was confirmed, and marketable securities were accounted for. Inventories of Leaf Tobacco, Manufactured Products and Supplies are valued at cost as in former years. Provision has been made in the Financial Statement for all ascertained liabilities, including accrued taxes.

In our opinion, based upon our examination and information submitted to us, the accompanying Financial Statement and related statement of Income and Surplus, fairly present the financial position of the Company at December 31, 1936, and the results of its operations and changes in surplus for the year then ended. Further, the statements have been prepared in accordance with accepted accounting principles and on a basis consistent with the preceding year.

ERNST & ERNST.

NEW YORK, N. Y., February 5, 1937.

DIRECTORS AND OFFICERS

JOHN M. DE VOE.....*Director and President*

J. D. CARHART.....*Director and Vice President*
Department Manager of Sales

C. G. CONN.....*Director and Vice President*
Department Manager of Sales

O. C. HANK.....*Director and Vice President*
Manager of Leaf Department Branches

JOHN G. HAYES.....*Director and Vice President*
Manager of Richmond, Virginia, Branch

J. W. PETERSON.....*Director and Vice President*
Department Manager of Sales

I. L. ELLIOTT.....*Director and Secretary and Treasurer*

R. J. KOHBERGER.....*Director and Assistant Secretary and Assistant Treasurer*

J. W. ABBOTT.....*Director and Auditor*

F. W. BROOK.....*Director*
Department Manager of Sales

WM. WARNER MOSS.....*Director*
Department Manager of Sales

Transfer Agent
CITY BANK FARMERS TRUST COMPANY
New York, N. Y.

Registrar
THE NATIONAL CITY BANK OF NEW YORK
New York, N. Y.

Auditors
ERNST & ERNST
New York, N. Y.

Corporate Office
15 EXCHANGE PLACE
Jersey City, N. J.

Executive Office
630 FIFTH AVENUE
New York, N. Y.

February 8, 1937.

To the Stockholders of

United States Tobacco Company:

The Treasurer's Report of your Company, and the report of our independent auditors for the year ended December 31, 1936, are submitted herewith.

Net earnings for the year amounted to $4,235,863.39, after deducting all charges, including provision for depreciation and all Federal taxes, compared with $3,593,640.63 for the preceding year. The earnings for 1936, after providing for preferred dividends, are equal to $8.89 per share on the Common Stock outstanding, compared with $7.49 per share for 1935.

Cash dividends of $7.00 per share were declared on the Preferred Stock during the year. On the Common Stock cash dividends of $1.25 per share were paid each quarter throughout the year; in addition a special cash dividend of $3.75 per share was paid on December 23, 1936, making a total of $8.75 per share in 1936 on the Common Stock.

The accompanying Financial Statement of your Company continues to reflect its strong financial condition. Net current assets at December 31, 1936, were $23,025,751.33, compared with $23,168,297.88 at the close of the preceding year. As in previous years, marketable securities are carried in the statement at the lower of cost or market, and the increase in value to that basis during 1936 has been credited to General Reserve, representing the entire addition to that account for the year.

During the year of 1936 the Company has further improved and modernized its plants and equipment, in continuance of the policy of maintaining its facilities at the highest standards of efficiency and of working conditions for employees.

JOHN M. DE VOE, *President.*

338.7
Un587
1937

UNITED STATES TOBACCO COMPANY

630 Fifth Avenue, New York, N. Y.

ANNUAL REPORT
and
FINANCIAL STATEMENT

For the Year Ended

December 31, 1937

Jersey City, N. J., February 7, 1938.

To the Stockholders of

United States Tobacco Company:

I respectfully submit a report of the financial condition of your Company for the year ended December 31, 1937.

I. L. ELLIOTT, Treasurer.

INCOME:		
Operating Profit before Depreciation and Federal Income Taxes	$3,915,793.01	
ADD—		
Dividends, Interest and Miscellaneous Income—Net	522,155.72	$4,437,948.73
DEDUCT—		
Depreciation and Obsolescence	$ 125,435.44	
Federal Income Taxes	546,590.39	672,025.83
Income for the Year before Deducting Flood Loss		$3,765,922.90
Flood Loss—Leaf Tobacco		303,235.34
Net Earnings for the Year		$3,462,687.56
SURPLUS:		
Balance—January 1, 1937		5,513,328.49
		$8,976,016.05
DEDUCT—		
Dividends:		
Preferred Stock—7%	$ 163,229.50	
Common Stock—$5.00 per share	2,289,250.00	
Common Stock—Special Dividend of $2.00 per share	915,700.00	
	$3,368,179.50	
Excess of Cost over Par Value of Preferred Stock purchased during Year	2,071.25	3,370,250.75
SURPLUS—December 31, 1937		$5,605,765.30

FINANCIAL STATEMENT

ASSETS

CURRENT:			
Cash on Deposit and on Hand		$5,734,269.34	
Notes, Acceptances and Accounts Receivable—Customers (Net)		1,070,651.97	
Leaf Tobacco, Manufactured Products and Supplies		11,189,302.35	
Marketable Securities (at lower of cost or market)			
U. S. Government Bonds	$ 244,856.25		
Municipal and other Bonds	110,328.01		
Industrial Bonds	755,572.96		
Preferred Stocks	3,309,654.83		
Common Stocks	608,722.47	5,029,134.52	$23,023,358.18
OTHER ASSETS:			
Capital Stocks of Other Companies		$ 600,039.44	
Notes and Accounts Receivable—Other		142,064.78	742,104.22
PROPERTY, PLANT AND EQUIPMENT:			
Land, Buildings and Equipment		$5,516,508.17	
Less Reserve for Depreciation and Obsolescence		2,418,681.89	3,097,826.28
GOOD-WILL, BRANDS, TRADE MARKS, PATENTS, etc.			1.00
PREPAID EXPENSES			62,402.75
			$26,925,692.43

LIABILITIES

CURRENT:			
Accounts Payable		$ 580,349.69	
Accrued Taxes and Expenses, including Federal Income Taxes		707,067.56	$1,287,417.25
GENERAL RESERVE			2,758,809.88
CAPITAL STOCK AND SURPLUS:			
Preferred Stock—Par Value $100.00 per share			
Authorized —60,800 shares			
In treasury — 2,700 shares			
Outstanding—23,300 shares		$2,330,000.00	
Common Stock—No Par Value			
Authorized —600,000 shares			
Outstanding—457,850 shares		14,943,700.00	
Earned Surplus		5,605,765.30	22,879,465.30
			$26,925,692.43

HD 38.7
U5 U57
1937

REPORT OF AUDITORS

To the Board of Directors of
UNITED STATES TOBACCO COMPANY:

We have made an examination of the Financial Statement of UNITED STATES TOBACCO COMPANY, New York, N. Y., as at December 31, 1937, and of the statement of Income and Surplus for the year ended at that date. In connection therewith, we examined or tested accounting records of the Company and other supporting evidence; we also made a general review of the accounting methods and of the operating and income accounts for the year, but we did not make a detailed audit of the transactions.

Cash on deposit was confirmed, and marketable securities were accounted for. Inventories of Leaf Tobacco, Manufactured Products and Supplies are valued at cost as in former years. Provision has been made in the Financial Statement for all ascertained liabilities, including accrued taxes.

In our opinion, based upon our examination and information submitted to us, the accompanying Financial Statement and related statement of Income and Surplus, fairly present the financial position of the Company at December 31, 1937, and the results of its operations and changes in surplus for the year then ended. Further, the statements have been prepared in accordance with accepted accounting principles and on a basis consistent with the preceding year.

ERNST & ERNST.

New York, N. Y., February 2, 1938.

DIRECTORS AND OFFICERS

JOHN M. DE VOE.....*Director and President*

J. W. PETERSON.....*Director and Executive Vice President*

J. D. CARHART.....*Director and Vice President*
Department Manager of Sales

C. G. CONN.....*Director and Vice President*
Department Manager of Sales

O. C. HANK.....*Director and Vice President*
Manager of Leaf Department Branches

JOHN G. HAYES.....*Director and Vice President*
Manager of Richmond, Virginia, Branch

I. L. ELLIOTT.....*Director and Secretary and Treasurer*

R. J. KOHBERGER.....*Director and Assistant Secretary and Assistant Treasurer*

J. W. ABBOTT.....*Director and Auditor*

F. W. BROOK.....*Director*
Department Manager of Sales

WM. WARNER MOSS.....*Director*
Department Manager of Sales

Transfer Agent
CITY BANK FARMERS TRUST COMPANY
New York, N. Y.

Registrar
THE NATIONAL CITY BANK OF NEW YORK
New York, N. Y.

Auditors
ERNST & ERNST
New York, N. Y.

Corporate Office
15 EXCHANGE PLACE
Jersey City, N. J.

Executive Office
630 FIFTH AVENUE
New York, N. Y.

February 7, 1938.

To the Stockholders of

United States Tobacco Company:

The Treasurer's Report of your Company, and the report of independent auditors for the year ended December 31, 1937, are submitted herewith.

During the year the Company sustained an unusual loss caused by the unprecedented flooding of the Ohio River Valley. The effect of this loss has been shown separately in presenting the results for 1937, as the inclusion of this item in operating costs would distort the figures and prevent reasonable comparisons with other years. Income for the year (after Depreciation and Federal Income Taxes) amounted to $3,765,922.90, which after deducting preferred dividends equals $7.86 per share on the common stock. However, after deduction for flood losses, the net earnings were $3,462,687.56, equalling $7.21 per share on the common stock.

The sound financial condition of your Company is reflected by the accompanying statement, with assets and liabilities presented on the same basis as in former years. Following our usual practice, the amount necessary to adjust marketable securities to the lower of cost or quoted market value has been carried to General Reserve, which reduction in value constitutes the only change in this Reserve.

Substantial sums were expended during the year to modernize our plants, providing better operating facilities and improved conditions for our employees.

The accompanying notice shows the proposals recommended by the Board of Directors to be considered and voted upon at the annual meeting of stockholders on March 1, 1938. Briefly, these recommendations call for the conversion of each share of preferred stock with a par value of $100 per share into four shares of preferred stock with a par value of $25 per share; and the conversion of each share of common stock without nominal or par value into four shares of common stock without nominal or par value; also the retirement of 2,700 shares of preferred stock now held in the Company's treasury.

JOHN M. DE VOE, *President.*

338.7
Un587
1938

UNITED STATES TOBACCO COMPANY

630 Fifth Avenue, New York, N. Y.

ANNUAL REPORT
and
FINANCIAL STATEMENT

For the Year Ended

December 31, 1938

SEP 17 1951

Jersey City, N. J., February 11, 1939.

To the Stockholders of

United States Tobacco Company:

I respectfully submit a report of the financial condition of your Company for the year ended December 31, 1938.

I. L. ELLIOTT, Treasurer.

INCOME:		
Sales, less Discounts, Allowances and Sales Deductions		$18,302,391.58
DEDUCT—		
Cost of Goods Sold, Selling, Administrative and General Expenses	$14,560,951.43	
Provision for Depreciation and Obsolescence	166,659.70	14,727,611.13
		$ 3,574,780.45
ADD—		
Dividends, Interest and Miscellaneous Income		380,555.72
		$ 3,955,336.17
DEDUCT—		
Federal Income Taxes—estimated		597,200.83
Net Earnings for the Year		$ 3,358,135.34
SURPLUS:		
Balance—January 1, 1938		5,605,765.30
		$ 8,963,900.64
DEDUCT—Dividends paid in cash:		
Preferred Stock		
Four quarterly dividends aggregating 7% on par value	$ 163,100.47	
Common Stock		
On 457,850 shares outstanding prior to split-up of shares:		
March 15, 1938, $1.25 per share	$572,312.50	
On 1,831,400 shares outstanding after split-up of shares:		
June 15, 1938, $.32 per share	586,048.00	
Sept. 15, 1938, $.32 per share	586,048.00	
Dec. 15, 1938, (year-end) $.71 per share	1,300,294.00	
Dividends paid on common stock (equivalent to $1.66¼ per share on 1,831,400 shares outstanding at close of year)	3,044,702.50	
Total Dividends paid		3,207,802.97
SURPLUS—December 31, 1938		$ 5,756,097.67

FINANCIAL STATEMENT

December 31, 1938

ASSETS

CURRENT:			
Cash on Deposit and on Hand		$5,409,650.15	
Notes, Acceptances and Accounts Receivable—Customers (Net)		943,745.42	
Inventories of Leaf Tobacco, Manufactured Products and Supplies		11,213,036.61	
Marketable Securities (at lower of cost or market—aggregate quoted market price $5,809,359.51):			
U. S. Government Bonds	$ 641,562.69		
Municipal and other Bonds	110,328.01		
Industrial Bonds	683,304.62		
Preferred Stocks	3,125,394.72		
Common Stocks	937,468.93	5,498,058.97	$23,064,491.15
OTHER ASSETS:			
Capital Stocks of Other Companies		$ 600,039.44	
Notes and Accounts Receivable—Other		167,820.02	767,859.46
PROPERTY, PLANT AND EQUIPMENT:			
Land—at cost		$ 376,744.24	
Buildings, Machinery and Equipment—at cost	$5,780,519.58		
Less Reserves for Depreciation and Obsolescence	2,441,515.68	3,339,003.90	3,715,748.14
GOOD-WILL, BRANDS, TRADE MARKS, PATENTS, etc.			1.00
PREPAID EXPENSES			47,316.15
			$27,595,415.90

LIABILITIES

CURRENT:			
Accounts Payable		$ 574,386.19	
Accrued Taxes and Expenses, including Federal Income Taxes		768,222.63	$1,342,608.82
GENERAL RESERVE			3,223,009.41
CAPITAL STOCK AND SURPLUS:			
Preferred Stock—7% Non-Cumulative—Par Value $25.00 per share			
Authorized —93,200 shares			
Outstanding—93,200 shares		$2,330,000.00	
Common Stock—No Par Value			
Authorized —2,400,000 shares			
Outstanding—1,831,400 shares		14,943,700.00	
Earned Surplus		5,756,097.67	23,029,797.67
			$27,595,415.90

HF5687
.U6 U67
1938

REPORT OF AUDITORS

To the Board of Directors of
UNITED STATES TOBACCO COMPANY:

We have made an examination of the Financial Statement of UNITED STATES TOBACCO COMPANY, New York, N. Y., as at December 31, 1938, and of the statement of Income and Surplus for the year ended at that date. In connection therewith, we examined or tested accounting records of the Company and other supporting evidence; we also made a general review of the accounting methods and of the operating and income accounts for the year, but we did not make a detailed audit of the transactions.

Cash on deposit was confirmed, and marketable securities were accounted for. Inventories of leaf tobacco, manufactured products and supplies are valued at cost as in former years. Provision has been made in the Financial Statement for all ascertained liabilities, including accrued taxes.

In our opinion, based upon our examination and information submitted to us, the accompanying Financial Statement and related statement of Income and Surplus, fairly present the financial position of the Company at December 31, 1938, and the results of its operations and changes in surplus for the year then ended. Further, the statements have been prepared in accordance with accepted accounting principles and on a basis consistent with the preceding year.

ERNST & ERNST.

New York, N. Y., February 1, 1939.

DIRECTORS AND OFFICERS

JOHN M. DE VOE.....*Director and President*

J. W. PETERSON.....*Director and Executive Vice President*

J. D. CARHART.....*Director and Vice President*
Department Manager of Sales

C. G. CONN.....*Director and Vice President*
Department Manager of Sales

O. C. HANK.....*Director and Vice President*
Manager of Leaf Department Branches

JOHN G. HAYES.....*Director and Vice President*
Manager of Richmond, Virginia, Branch

I. L. ELLIOTT.....*Director and Secretary and Treasurer*

R. J. KOHBERGER.....*Director and Assistant Secretary and Assistant Treasurer*

J. W. ABBOTT.....*Director and Auditor*

F. W. BROOK.....*Director*
Department Manager of Sales

WM. WARNER MOSS.....*Director*
Department Manager of Sales

Transfer Agent
CITY BANK FARMERS TRUST COMPANY
New York, N. Y.

Registrar
THE NATIONAL CITY BANK OF NEW YORK
New York, N. Y.

Auditors
ERNST & ERNST
New York, N. Y.

Corporate Office
15 EXCHANGE PLACE
Jersey City, N. J.

Executive Office
630 FIFTH AVENUE
New York, N. Y.

February 11, 1939.

To the Stockholders of

United States Tobacco Company:

The Treasurer's Report of your Company, and the report of independent auditors, for the year ended December 31, 1938, are submitted herewith.

Net earnings for 1938 amounted to $3,358,135.34, compared with $3,462,687.56 for the preceding year. After deducting preferred dividends, earnings for the common stock are equal to $1.74 per share on 1,831,400 shares outstanding at the end of the year, as compared with $1.80 per share for 1937 computed on the basis of the same number of outstanding shares. Net earnings reflect the recent trend toward higher costs in taxation, leaf tobacco, other raw materials, supplies and labor.

Cash dividends at the rate of 7% were paid on the preferred stock during the year. On the common stock cash dividends were paid in the aggregate of $3,044,702.50, as itemized in the accompanying surplus account, being equivalent to $1.66¼ per share of common stock outstanding at the end of the year.

A sound condition is shown by the financial statement of your Company at December 31, 1938, which is presented on the same basis as in former years. Net current assets at the close of 1938 amounted to $21,721,882.33, compared with $21,735,940.93 at December 31, 1937. As in previous years marketable securities are carried in the financial statement at lower of cost or market, and the increase in value to that basis during 1938 was credited to General Reserve, representing the entire increase in that account.

In accordance with an amendment to the Company's charter, approved by stockholders on March 1, 1938, the Company was authorized to convert the preferred stock which had a par value of $100 per share into four shares of preferred stock of $25 par value per share, and each share of common stock without nominal or par value into four shares of common stock without nominal or par value. The new shares of both classes were distributed to stockholders accordingly.

The Company continued to improve its plants during 1938, providing better operating facilities and working conditions for employees.

During the past five years the number of stockholders of the Company increased approximately 50% to a total of 3,558 on January 31, 1939.

JOHN M. DE VOE, *President.*

338.7
Un587
1939

UNITED STATES TOBACCO COMPANY

630 FIFTH AVE. • ROCKEFELLER CENTER • NEW YORK, N.Y.

ANNUAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 1939

SEP 17 1951

UNITED STATES TOBACCO COMPANY

Jersey City, N. J., February 9, 1940.

To Our Stockholders:

I respectfully submit a report of the financial condition of your Company for the year ended December 31, 1939.

I. L. Elliott, Treasurer.

Income:		
Sales, less Discounts, Allowances and Sales Deductions		$18,283,605.98
Deduct—		
Cost of Goods Sold, Selling, Administrative and General Expenses	$14,349,910.51	
Provision for Depreciation and Obsolescence	257,522.45	14,607,432.96
		$ 3,676,173.02
Add—		
Dividends, Interest and Miscellaneous Income		335,004.57
		$ 4,011,177.59
Deduct—		
Federal Income Taxes—estimated		615,024.08
Net Earnings for the Year		$ 3,396,153.51
Surplus:		
Balance—January 1, 1939		5,756,097.67
		$ 9,152,251.18
Deduct—Dividends paid in cash:		
Preferred Stock		
Four quarterly dividends aggregating 7% on par value	$ 163,101.10	
Common Stock		
March 15, 1939 $.32 per share	$586,048.00	
June 15, 1939 $.32 per share	586,048.00	
Sept. 15, 1939 $.32 per share	586,048.00	
Dec. 15, 1939 (year-end) $.80 per share	1,465,120.00	
Total Dividends on Common Stock—$1.76 per share	3,223,264.00	
Total Dividends Paid		3,386,365.10
Surplus—December 31, 1939		$ 5,765,886.08

UNITED STATES TOBACCO COMPANY

FINANCIAL STATEMENT—DECEMBER 31, 1939

ASSETS

CURRENT:			
Cash on Deposit and on Hand		$ 3,718,416.42	
Notes, Acceptances and Accounts Receivable—Customers (Net)		884,168.53	
Inventories of Leaf Tobacco, Manufactured Products and Supplies		10,629,716.71	
Marketable Securities (at lower of cost or market—aggregate quoted market price $6,805,669.97):			
U. S. Government Bonds	$1,532,618.78		
Industrial & other Bonds	589,151.78		
Preferred Stocks	3,084,998.05		
Common Stocks	1,281,530.87	6,488,299.48	$21,720,601.14
OTHER ASSETS:			
Capital Stocks of Other Companies		$ 600,039.44	
Notes and Accounts Receivable—Other		159,242.23	759,281.67
PROPERTY, PLANT AND EQUIPMENT:			
Land—at cost		$ 383,965.33	
Buildings, Machinery and Equipment—at cost	$7,600,853.08		
Less Reserves for Depreciation and Obsolescence	2,531,445.70	5,069,407.38	5,453,372.71
GOOD-WILL, TRADE-MARKS, PATENTS, etc.			1.00
PREPAID EXPENSES			64,875.70
			$27,998,132.22

LIABILITIES

CURRENT:			
Accounts Payable		$ 771,133.73	
Accrued Taxes and Expenses, including Federal Income Taxes		769,334.03	$ 1,540,467.76
GENERAL RESERVE			3,418,078.38
CAPITAL STOCK AND SURPLUS:			
Preferred Stock—7% non-cumulative—Par Value $25.00 per share Authorized —93,200 shares Outstanding—93,200 shares		$ 2,330,000.00	
Common Stock—No Par Value Authorized —2,400,000 shares Outstanding—1,831,400 shares		14,943,700.00	
Earned Surplus		5,765,886.08	23,039,586.08
			$27,998,132.22

UNITED STATES TOBACCO COMPANY

REPORT OF AUDITORS

To the Board of Directors of
UNITED STATES TOBACCO COMPANY:

We have examined the financial statement of United States Tobacco Company as of December 31, 1939, and the statement of income and surplus for the year then ended, have reviewed the system of internal control and the accounting procedures of the Company, and, without making a detailed audit of the transactions, have examined or tested accounting records of the Company and other supporting evidence, by methods, at times and to the extent we deemed appropriate.

Cash and marketable securities were accounted for. The Company's methods of determining inventory quantities and amounts were reviewed, including test checks of inventory quantities. Inventories of leaf tobacco, manufactured products and supplies were priced at average cost as in former years.

In 1939 the rates used in computing annual provisions for depreciation on buildings and equipment were increased, so that a larger amount would be included for future obsolescence and obsolete equipment formerly charged against income account could be taken care of by the provision. The effect upon the income account for 1939 is not material, the charge for depreciation and obsolescence being only about $5,000.00 greater than under the previous method.

In our opinion, the accompanying financial statement and related statement of income and surplus present fairly the position of United States Tobacco Company at December 31, 1939, and the results of its operations for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

ERNST & ERNST.

New York, February 1, 1940.

UNITED STATES TOBACCO COMPANY

DIRECTORS AND OFFICERS

JOHN M. DE VOE ..... *Director and President*

J. W. PETERSON ..... *Director and Executive Vice President*

K. A. BREWER ..... *Director and Vice President*
Department Manager of Sales

F. W. BROOK ..... *Director and Vice President*
Department Manager of Sales

C. G. CONN ..... *Director and Vice President*
Department Manager of Sales

O. C. HANK ..... *Director and Vice President*
Manager of Leaf Department Branches

JOHN G. HAYES ..... *Director and Vice President*
Manager of Richmond, Virginia, Branch

I. L. ELLIOTT ..... *Director and Secretary and Treasurer*

R. J. KOHBERGER ..... *Director and Assistant Secretary and Assistant Treasurer*

J. W. ABBOTT ..... *Director and Auditor*

GARNER DE VOE ..... *Director*
Manager of Nashville, Tennessee, Branch

Transfer Agent
CITY BANK FARMERS TRUST COMPANY
New York, N. Y.

Registrar
THE NATIONAL CITY BANK OF NEW YORK
New York, N. Y.

Auditors
ERNST & ERNST
New York, N. Y.

Corporate Office
15 EXCHANGE PLACE
Jersey City, N. J.

Executive Office
630 FIFTH AVENUE
New York, N. Y.

UNITED STATES TOBACCO COMPANY

February 9, 1940.

To Our Stockholders:

The Treasurer's report of your Company, and the report of independent auditors, for the year ended December 31, 1939, are submitted herewith.

Net earnings for 1939 amounted to $3,396,153.51, compared with $3,358,135.34 for the preceding year. After deducting preferred dividends, earnings for the common stock are equal to $1.76 per share, compared with $1.74 per share for 1938. Cash dividends at the rate of 7% were paid on the preferred stock during the year. On the common stock four cash dividends in the aggregate of $1.76 per share were paid in 1939, as itemized in the surplus account.

The Company's financial condition continues sound, as reflected by the accompanying financial statement at December 31, 1939, which is presented on the same basis as in former years.

Net current assets at December 31, 1939, amounted to $20,180,133.38, compared with $21,721,882.33 at the close of the preceding year. This reduction was caused by your Company's investments in fixed assets, carried under "Property, Plant and Equipment". The major part of these new investments consists of a new manufacturing unit and a modern power plant at Nashville, completed and placed in operation in 1939; and an entirely new manufacturing plant, including tobacco-storage warehouses, now nearing completion on newly acquired property in Richmond. These investments are in line with your Company's policy of making timely improvements in manufacturing facilities to maintain high standards of quality in our product, to help reduce the cost of production, to accommodate future expansion in our business, and to provide the best working conditions for our employees.

As a result of this program and in the light of present day conditions, your Board of Directors increased the rates used in computing annual provisions for depreciation on buildings and equipment in order to include a larger amount for future obsolescence, and so that obsolete equipment, formerly charged directly against earnings, could be taken care of by such provision. In 1939 this amounted to only about $5,000.00 more than under the previous method.

Marketable Securities are carried in the financial statement, as heretofore, at lower of cost or market and the increase on that basis in these assets during 1939 was credited to General Reserve, and represents the entire increase in that account for the year.

John M. DeVoe, President.

338.7
Un587
1940

UNITED STATES TOBACCO COMPANY

630 FIFTH AVE. • ROCKEFELLER CENTER • NEW YORK, N.Y.

ANNUAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 1940

THE LIBRARY OF THE
SEP 1 7 1951

UNITED STATES TOBACCO COMPANY

Jersey City, N. J., February 10, 1941.

To Our Stockholders:

I respectfully submit a report of the financial condition of your Company for the year ended December 31, 1940.

I. L. Elliott, Treasurer.

Income:		
Sales, less Discounts, Allowances and Sales Deductions		$18,339,202.96
Deduct:		
Cost of Goods Sold, Selling, Administrative and General Expenses	$14,502,500.62	
Provision for Depreciation and Obsolescence	279,553.10	14,782,053.72
		$ 3,557,149.24
Add:		
Dividends, Interest and Miscellaneous Income—Note A		381,383.21
		$ 3,938,532.45
Deduct:		
Federal Income Taxes—estimated (no provision required for excess profits taxes)		663,349.22
Net Earnings Before Non-recurring Item		$ 3,275,183.23
Add:		
Net refunds of Federal Taxes for prior years, including interest thereon		702,192.80
Total Income for Year—Note A		$ 3,977,376.03
Surplus:		
Balance January 1, 1940		5,765,886.08
		$ 9,743,262.11
Deduct—Dividends Paid in Cash:		
Preferred Stock:		
Four Quarterly Dividends Aggregating 7% on Par Value	$ 163,101.55	
Common Stock:		
March 15, 1940 $.32 per share	$ 586,048.00	
June 15, 1940 $.32 per share	586,048.00	
September 15, 1940 $.32 per share	586,048.00	
December 15, 1940 (year end) $1.00 per share	1,831,400.00	
Total Dividends on Common Stock—$1.96 per share	3,589,544.00	
Total Dividends Paid		3,752,645.55
Surplus—December 31, 1940		$ 5,990,616.56

Note A—There has been charged to a reserve, provided from earnings in previous years, a loss of $738,633.30 on an investment sold in 1940, all of which shrinkage occurred prior to that year. The reserve, as applied in the financial statements of the Company, is used to reduce the carrying value of marketable securities to the lower of cost or market. Profits of $45,869.29 on sale in 1940 of other marketable securities are included in the above income.

UNITED STATES TOBACCO COMPANY

FINANCIAL STATEMENT—DECEMBER 31, 1940

ASSETS

CURRENT:			
Cash on Deposit and on Hand		$ 3,821,864.16	
Accounts Receivable—Customers (net)		811,395.57	
Inventories of Leaf Tobacco, Manufactured Products and Supplies		10,114,004.26	
Marketable Securities (at lower of cost or market—aggregate quoted market price $6,910,494.04):			
U. S. Government Bonds	$ 1,903,348.54		
Industrial and Other Bonds	381,801.46		
Preferred Stocks	2,818,026.34		
Common Stocks	1,291,315.53	6,394,491.87	$21,141,755.86
OTHER ASSETS:			
Capital Stocks of Other Companies		$ 600,039.44	
Notes and Accounts Receivable—Other		162,894.35	762,933.79
PROPERTY, PLANT AND EQUIPMENT:			
Land—at Cost		$ 294,642.77	
Buildings, Machinery and Equipment—at Cost	$ 7,876,238.20		
Less Reserves for Depreciation and Obsolescence	2,132,233.87	5,744,004.33	6,038,647.10
GOOD-WILL, TRADE MARKS, PATENTS, etc.			1.00
PREPAID EXPENSES			65,246.17
			$28,008,583.92

LIABILITIES

CURRENT:		
Accounts Payable	$ 467,157.68	
Accrued Taxes and Expenses, including Federal Income Taxes	835,101.16	$ 1,302,258.84
GENERAL RESERVE		3,442,008.52
CAPITAL STOCK AND SURPLUS:		
Preferred Stock—7% non-cumulative—Par Value $25.00 per Share:		
Authorized— 93,200 Shares		
Outstanding—93,200 Shares	$ 2,330,000.00	
Common Stock—No Par Value:		
Authorized— 2,400,000 Shares		
Outstanding—1,831,400 Shares	14,943,700.00	
Earned Surplus	5,990,616.56	23,264,316.56
		$28,008,583.92

UNITED STATES TOBACCO COMPANY

REPORT OF AUDITORS

To the Board of Directors of
United States Tobacco Company:

We have examined the financial statement of United States Tobacco Company as of December 31, 1940, and the statement of income and surplus for the year then ended, have reviewed the system of internal control and the accounting procedures of the Company, and, without making a detailed audit of the transactions, have examined or tested accounting records of the Company and other supporting evidence, by methods, at times and to the extent we deemed appropriate.

Cash and marketable securities were accounted for. The Company's methods of determining inventory quantities and amounts were reviewed, including test checks of inventory quantities. Inventories of leaf tobacco, manufactured products and supplies were priced at average cost as in former years.

In our opinion, the accompanying financial statement and related statement of income and surplus present fairly the position of United States Tobacco Company at December 31, 1940, and the results of its operations for the year, in conformity with generally accepted accounting principles which, except for the treatment of losses on sales of securities as set forth in Note A to the statement of income and surplus, have been applied on a basis consistent with that of the preceding year.

Ernst & Ernst.

New York, N. Y.
February 3, 1941.

UNITED STATES TOBACCO COMPANY

DIRECTORS AND OFFICERS

JOHN M. DE VOE ..... *Director and President*

J. W. PETERSON ..... *Director and Executive Vice President*

K. A. BREWER ..... *Director and Vice President*
Department Manager of Sales

F. W. BROOK ..... *Director and Vice President*
Department Manager of Sales

C. G. CONN ..... *Director and Vice President*
Department Manager of Sales

O. C. HANK ..... *Director and Vice President*
Manager of Leaf Department Branches

JOHN G. HAYES ..... *Director and Vice President*
Manager of Richmond, Virginia, Branch

I. L. ELLIOTT ..... *Director and Secretary and Treasurer*

R. J. KOHBERGER ..... *Director and Assistant Secretary and Assistant Treasurer*

J. W. ABBOTT ..... *Director and Auditor*

GARNER DE VOE ..... *Director*
Manager of Nashville, Tennessee, Branch

Transfer Agent
CITY BANK FARMERS TRUST COMPANY
New York, N. Y.

Registrar
THE NATIONAL CITY BANK OF NEW YORK
New York, N. Y.

Auditors
ERNST & ERNST
New York, N. Y.

Corporate Office
15 EXCHANGE PLACE
Jersey City, N. J.

Executive Office
630 FIFTH AVENUE
New York, N. Y.

UNITED STATES TOBACCO COMPANY

February 10, 1941.

To Our Stockholders:

The Treasurer's report of your Company and the report of independent auditors for the year ended December 31, 1940, are submitted herewith.

Net earnings for 1940 amounted to $3,275,183 compared with $3,396,153 for the preceding year. However, a non-recurring item of $702,193, explained in the income statement, brought the total 1940 income up to $3,977,376. After deducting preferred dividends, total income for the common stock is equal to $2.08 per share, (the non-recurring item amounting to 38¢ per share) compared with $1.76 per share for 1939.

Cash dividends at the rate of 7% were paid on the preferred stock during the year. On the common stock four cash dividends in the aggregate of $1.96 per share were paid in 1940, as itemized in the surplus account.

The accompanying financial statement is presented on the same basis as in former years, and continues to show the same sound financial condition of your Company. Net current assets at December 31, 1940, amounted to $19,839,497 compared with $20,180,133 at the close of the preceding year. The Company's valuable good-will, trade-marks, patents, etc. are still carried in the financial statement at $1.00. The surplus account as of December 31, 1940, increased for the year from $5,765,886 to $5,990,616.

During 1940 our new manufacturing plant and tobacco-storage warehouses at Richmond were completed and placed in full operation, representing a very broad and important advance in your Company's progress. The color print enclosed with this statement gives a fair idea of the size and appearance of the plant.

At Chicago we are carrying forward the construction of a new power plant. When this is completed each of our manufacturing units at Richmond, Nashville and Chicago will have the most modern and efficient power plants it is possible to build. This gives some idea of the steps your Company is taking in its broad program of plant modernization and improvement which has been under way since 1935, and is now substantially completed. This policy of providing for efficient operation in buildings and equipment, is going to be a substantial factor in your Company's ability to cope with the production problems ahead.

We are glad to report that the plants formerly used by the Company in Richmond were sold during the year.

It is interesting and pleasing to your Management to note a continuing increase in the number of the Company's stockholders, the total now being 4,408 or approximately 30% more than two years ago.

John M. DeVoe,
President.

338.7
Un587
1941

UNITED STATES TOBACCO COMPANY

630 FIFTH AVE. • ROCKEFELLER CENTER • NEW YORK, N.Y.

ANNUAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 1941

THE LIBRARY OF THE
SEP 17 1951

UNITED STATES TOBACCO COMPANY

Jersey City, N. J., February 9, 1942.

To Our Stockholders:

I respectfully submit a report of the financial condition of your Company for the year ended December 31, 1941.

I. L. Elliott, Treasurer.

INCOME

Sales, less Discounts, Allowances and Sales Deductions		$19,088,404.12
Deduct:		
Cost of Goods Sold, Selling, Administrative and General Expenses	$14,951,037.78	
Provision for Depreciation and Obsolescence	332,950.56	15,283,988.34
		$ 3,804,415.78
Add:		
Dividends, Interest and Miscellaneous Income		498,655.45
		$ 4,303,071.23
Deduct:		
Taxes on Income—Estimated:		
United States Income Taxes (no provision required for excess profits taxes)	$ 1,209,501.83	
Canadian Income and Excess Profits Tax	42,235.70	1,251,737.53
Net Earnings for the Year		$ 3,051,333.70

SURPLUS

Balance January 1, 1941		5,990,616.56
		$ 9,041,950.26
Deduct—Dividends Paid in Cash:		
Preferred Stock:		
Four Quarterly Dividends Aggregating 7% on Par Value	$ 163,101.76	
Common Stock:		
March 15, 1941 $.32 per share	$586,048.00	
June 15, 1941 $.32 per share	586,048.00	
September 15, 1941 $.32 per share	586,048.00	
December 15, 1941 (year end) $.54 per share	988,956.00	
Total Dividends on Common Stock—$1.50 per share	2,747,100.00	
Total Dividends Paid		$ 2,910,201.76
Surplus—December 31, 1941		$ 6,131,748.50

UNITED STATES TOBACCO COMPANY

FINANCIAL STATEMENT—DECEMBER 31, 1941

ASSETS

CURRENT:			
Cash on Deposit and on Hand		$ 3,383,805.42	
Accounts Receivable—Customers (net)		1,049,318.54	
Inventories of Leaf Tobacco, Manufactured Products and Supplies		11,500,840.29	
Marketable Securities (at lower of cost or market—aggregate quoted market price $5,691,689.41):			
U. S. Government Issues	$ 2,622,158.40		
Industrial Bonds	232,121.25		
Preferred Stocks	1,569,668.83		
Common Stocks	1,055,361.38	5,479,309.86	$21,413,274.11
OTHER ASSETS:			
Capital Stocks of Other Companies		$ 600,039.44	
Sundry Notes and Accounts Receivable		181,308.78	781,348.22
PROPERTY, PLANT AND EQUIPMENT:			
Land—at Cost		$ 316,427.30	
Buildings, Machinery and Equipment—at Cost	$ 8,331,383.89		
Less Reserves for Depreciation and Obsolescence	2,312,916.53	6,018,467.36	6,334,894.66
GOOD-WILL, TRADE-MARKS, PATENTS, etc.			1.00
PREPAID EXPENSES			63,439.16
			$28,592,957.15

LIABILITIES

CURRENT:		
Accounts Payable	$ 480,014.82	
Accrued Expenses—other than Federal Taxes on Income	190,314.58	
Federal Income Taxes for the Year 1941—Estimated	1,211,932.68	$ 1,882,262.08
GENERAL RESERVE		3,305,246.57
CAPITAL STOCK AND SURPLUS:		
Preferred Stock—7% non-cumulative—Par Value $25.00 Per Share:		
Authorized—93,200 Shares		
Outstanding—93,200 Shares	$ 2,330,000.00	
Common Stock—No Par Value		
Authorized—2,400,000 Shares		
Outstanding—1,831,400 Shares	14,943,700.00	
Earned Surplus	6,131,748.50	23,405,448.50
		$28,592,957.15

UNITED STATES TOBACCO COMPANY

REPORT OF AUDITORS

To the Board of Directors of
United States Tobacco Company:

We have examined the financial statement of United States Tobacco Company as of December 31, 1941, and the statement of income and surplus for the year then ended, have reviewed the system of internal control and the accounting procedures of the Company, and, without making a detailed audit of the transactions, have examined or tested accounting records of the Company and other supporting evidence, by methods, at times and to the extent we deemed appropriate. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all procedures which we considered necessary.

Cash and marketable securities were accounted for. The Company's methods of determining inventory quantities and amounts were reviewed, including test checks of inventory quantities. Inventories of leaf tobacco, manufactured products and supplies were priced at average cost as in former years.

In our opinion, the accompanying financial statement and related statement of income and surplus present fairly the position of United States Tobacco Company at December 31, 1941, and the results of its operations for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Ernst & Ernst.

New York, N. Y.
February 5, 1942.

UNITED STATES TOBACCO COMPANY

DIRECTORS AND OFFICERS

JOHN M. DE VOE.....*Director and President*

J. W. PETERSON.....*Director and Executive Vice President*

K. A. BREWER.....*Director and Vice President*
Department Manager of Sales

F. W. BROOK.....*Director and Vice President*
Department Manager of Sales

C. G. CONN.....*Director and Vice President*
Department Manager of Sales

O. C. HANK.....*Director and Vice President*
Manager of Leaf Department Branches

JOHN G. HAYES.....*Director and Vice President*
Manager of Richmond, Virginia, Branch

I. L. ELLIOTT.....*Director and Secretary and Treasurer*

R. J. KOHBERGER.....*Director and Assistant Secretary and Assistant Treasurer*

J. W. ABBOTT.....*Director and Auditor*

GARNER DEVOE.....*Director*
Manager of Nashville, Tennessee, Branch

Transfer Agent
CITY BANK FARMERS TRUST COMPANY
New York, N. Y.

Registrar
THE NATIONAL CITY BANK OF NEW YORK
New York, N. Y.

Auditors
ERNST & ERNST
New York, N. Y.

Corporate Office
15 EXCHANGE PLACE
Jersey City, N. J.

Executive Office
630 FIFTH AVENUE
New York, N. Y.

UNITED STATES TOBACCO COMPANY

February 9, 1942.

To Our Stockholders:

The reports of the Treasurer of your Company and the independent auditors for the year ended December 31, 1941, are submitted herewith.

Net earnings for 1941 amounted to $3,051,333, compared with $3,275,183 for the preceding year. After deducting preferred dividends, earnings for 1941 applicable to the common stock are equal to $1.58 per share, against $1.70 per share in 1940 after excluding a special non-recurring prior year income item of 38¢ per share.

Cash dividends at the rate of 7% were paid on the preferred stock during the year. On the common stock four cash dividends in the aggregate of $1.50 per share were paid in 1941, as itemized in the statement of surplus.

The financial condition of your Company at December 31, 1941, continues to be sound and is presented in the financial statement on the same basis as in former years. Net current assets at December 31, 1941, amounted to $19,531,012 compared with $19,839,497 at the close of the preceding year. As usual, the Company's valuable good-will, trade-marks, patents, etc. are carried in the financial statement at $1.00. Earned surplus account as at December 31, 1941, amounted to $6,131,749, an increase of $141,132 for the year.

In the year 1941 we placed in operation our new power plant at Chicago, Illinois. This marked the completion of the extensive program of modernization, improvement and expansion of our plants which has been under way since 1935.

In reviewing the results of the year's operations and looking ahead, we should recognize that the tobacco industry, in all its branches, occupies an important position in times of war as well as peace. The products of the industry are essential to the maintenance of morale among those in the armed forces and services and among civilians in all walks of life. In times of stress tobacco performs its greatest service to mankind.

To keep the tobacco products of your Company flowing steadily to the armed forces, war industries, farms, and wherever essential work must be done, seems to us a vitally important task, which we shall endeavor to perform notwithstanding many new problems arising out of war-time conditions.

John M. DeVoe,
President.

338.7
Un587
1942

UNITED STATES TOBACCO COMPANY

630 FIFTH AVE. • ROCKEFELLER CENTER • NEW YORK, N.Y.

ANNUAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 1942

SEP 17 1951

UNITED STATES TOBACCO COMPANY

Flemington, N. J., March 15, 1943.

To Our Stockholders:

I respectfully submit a report of the financial condition of your Company for the year ended December 31, 1942.

Isaac L. Elliott, Treasurer.

INCOME

Sales, less Discounts, Allowances and Sales Deductions		$18,866,954.66
Deduct:		
Cost of Goods Sold, Selling, Administrative and General Expenses	$14,571,224.02	
Provision for Depreciation and Obsolescence	318,408.71	14,889,632.73
		$ 3,977,321.93
Add:		
Dividends, Interest and Miscellaneous Income		244,141.73
		$ 4,221,463.66
Deduct:		
Taxes on Income—Estimated:		
United States Income Taxes (no provision required for excess profits taxes)	$ 1,574,842.62	
Canadian Income and Excess Profits Tax	33,136.75	1,607,979.37
Net Earnings for the Year		$ 2,613,484.29

SURPLUS

Balance—January 1, 1942		$ 6,131,748.50
Add—Net Earnings for the Year 1942		2,613,484.29
		$ 8,745,232.79
Deduct—Dividends Paid in Cash:		
Preferred Stock:		
Four Quarterly Dividends Aggregating 7% on Par Value	$ 163,101.86	
Common Stock:		
March 16, 1942 $.32 per share	$586,048.00	
June 15, 1942 $.30 per share	549,420.00	
September 15, 1942 $.30 per share	549,420.00	
December 15, 1942 (year end) $.40 per share	732,560.00	
Total Dividends on Common Stock—$1.32 per share	2,417,448.00	
Total Dividends Paid		2,580,549.86
Surplus—December 31, 1942		$ 6,164,682.93

UNITED STATES TOBACCO COMPANY

FINANCIAL STATEMENT—DECEMBER 31, 1942

ASSETS

CURRENT:			
Cash on Deposit and on Hand		$ 3,737,931.54	
Accounts Receivable—Customers (net)		952,999.13	
Inventories of Leaf Tobacco, Manufactured Products and Supplies		12,090,452.44	
Marketable Securities (at lower of cost or market. Aggregate quoted market price $5,361,504.04):			
U. S. Government Issues	$ 2,706,840.69		
Industrial Bonds	232,019.35		
Preferred Stocks	1,229,991.69		
Common Stocks	1,069,398.27	5,238,250.00	$22,019,633.11
OTHER ASSETS:			
Capital Stocks of Other Companies		$ 600,039.44	
Sundry Notes and Accounts Receivable		79,657.75	679,697.19
PROPERTY, PLANT AND EQUIPMENT:			
Land—at Cost		$ 316,427.30	
Buildings, Machinery and Equipment—at Cost	$ 8,377,252.69		
Less Reserves for Depreciation and Obsolescence	2,558,038.88	5,819,213.81	6,135,641.11
GOOD-WILL, TRADE-MARKS, PATENTS, etc.			1.00
PREPAID EXPENSES			90,708.44
			$28,925,680.85

LIABILITIES

CURRENT:		
Accounts Payable	$ 269,028.17	
Accrued Expenses—other than Federal Taxes on Income	170,908.74	
Federal Income Taxes for the Year 1942—Estimated	1,563,000.00	$ 2,002,936.91
GENERAL RESERVE		3,484,361.01
CAPITAL STOCK AND SURPLUS:		
Preferred Stock—7% non-cumulative—Par Value $25.00 Per Share:		
Authorized—93,200 Shares		
Outstanding—93,200 Shares	$ 2,330,000.00	
Common Stock—No Par Value:		
Authorized—2,400,000 Shares		
Outstanding—1,831,400 Shares	14,943,700.00	
Earned Surplus	6,164,682.93	23,438,382.93
		$28,925,680.85

UNITED STATES TOBACCO COMPANY

REPORT OF AUDITORS

To the Board of Directors of
United States Tobacco Company:

We have examined the financial statement of United States Tobacco Company as of December 31, 1942, and the statements of income and surplus for the year then ended, have reviewed the system of internal control and the accounting procedures of the Company, and, without making a detailed audit of the transactions, have examined or tested accounting records of the Company and other supporting evidence, by methods, at times and to the extent we deemed appropriate. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all procedures which we considered necessary.

Cash and marketable securities were accounted for. The Company's methods of determining inventory quantities and amounts were reviewed, including test checks of inventory quantities. Inventories of leaf tobacco, manufactured products and supplies were priced at average cost as in former years.

In our opinion, the accompanying financial statement and related statements of income and surplus present fairly the position of United States Tobacco Company at December 31, 1942, and the results of its operations for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Ernst & Ernst.

New York, N. Y.
February 15, 1943.

UNITED STATES TOBACCO COMPANY

DIRECTORS AND OFFICERS

JOHN M. DEVOE ..... *Director and President*

J. WHITNEY PETERSON ..... *Director and Executive Vice President*

KHARL A. BREWER ..... *Director and Vice President*
Department Manager of Sales

FREDERICK W. BROOK ..... *Director and Vice President*
Department Manager of Sales

CHARLES G. CONN ..... *Director and Vice President*
Department Manager of Sales

OSCAR C. HANK ..... *Director and Vice President*
Manager of Leaf Department Branches

JOHN G. HAYES ..... *Director and Vice President*
Manager of Richmond, Virginia, Branch

ISAAC L. ELLIOTT ..... *Director and Secretary and Treasurer*

ROBERT J. KOHBERGER ..... *Director and Assistant Secretary and Assistant Treasurer*

JAMES W. ABBOTT ..... *Director and Auditor*

GARNER DEVOE ..... *Director*
Manager of Nashville, Tennessee, Branch

Transfer Agent
CITY BANK FARMERS TRUST COMPANY
New York, N. Y.

Registrar
THE NATIONAL CITY BANK OF NEW YORK
New York, N. Y.

Auditors
ERNST & ERNST
New York, N. Y.

Corporate Office
117 MAIN STREET
Flemington, N. J.

Executive Office
630 FIFTH AVENUE
New York, N. Y.

UNITED STATES TOBACCO COMPANY

March 15, 1943.

To Our Stockholders:

The reports of the Treasurer of your Company and the independent auditors for the year ended December 31, 1942 are submitted herewith.

Net earnings were $2,613,484 compared with $3,051,333 for the preceding year. After deducting preferred dividends, the earnings per share amounted to $1.34 on the common stock as compared with $1.58 for 1941.

During the year cash dividends at the rate of 7% were paid on the preferred stock and four cash dividends on the common stock aggregating $1.32 per share.

The financial statement, presented on the same basis as in former years, continues to reflect a strong financial condition. Net current assets amounting to $20,016,696, show an increase of $485,684 for the year. Earned surplus amounting to $6,164,683, shows an increase of $32,934 for the year. The Company's valuable good-will, trade-marks, patents, etc. are still carried at $1.00. The increase in General Reserve results wholly from a credit to adjust marketable securities to the lower of cost or quoted market price, as is our practice.

The war economy has naturally brought your Company its full share of problems and caused many changes in former procedure. Restrictions in the use of essential materials, reduction in man power, transportation difficulties, increases in labor and material costs and in taxes, price ceilings on our finished product—these have all been accepted as part of the price your Company must pay to help win the war. To aid the war effort has, of course, been our first consideration when approaching each new problem. Our second consideration has always been to preserve our tangible and intangible assets, unimpaired for use after victory, while at the same time doing a good job of supplying the current needs of consumers and the trade in their best interests and to their profit as well as our own.

As we review the past fifteen months of war-time operation, in the light of these considerations, we see many instances in which our solutions of new problems have resulted to our distinct advantage, not only as temporary expedients but also, in a surprising number of cases, as permanent improvements. Out of war necessity a great deal that is good and of lasting value has been evolved.

John M. DeVoe,
President.

338.7
Un587
1943

UNITED STATES TOBACCO COMPANY

630 FIFTH AVE. • ROCKEFELLER CENTER • NEW YORK 20, N. Y.

ANNUAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 1943

THE LIBRARY OF THE
SEP 17 1951

UNITED STATES TOBACCO COMPANY

Flemington, N. J., March 13, 1944.

To Our Stockholders:

I respectfully submit a report of the financial condition of your Company for the year ended December 31, 1943.

Robert J. Kohberger, Treasurer.

INCOME

Sales, less Discounts, Allowances and Sales Deductions		$18,805,122.33
Deduct:		
Cost of Goods Sold, Selling, Administrative and General Expenses	$14,578,796.88	
Provision for Depreciation and Obsolescence	304,250.53	14,883,047.41
		$ 3,922,074.92
Add:		
Dividends, Interest and Miscellaneous Income		337,067.35
		$ 4,259,142.27
Deduct:		
Taxes on Income—Estimated:		
United States:		
Normal Income Tax and Surtax	$ 1,519,387.35	
Excess Profits Tax (less estimated post-war refund of $12,500.00)	109,500.00	
Canadian Income and Excess Profits Tax (less estimated post-war refund of $5,382.16)	49,916.34	1,678,803.69
Net Earnings for the Year		$ 2,580,338.58

SURPLUS

Balance—January 1, 1943		$ 6,164,682.93
Add—Net Earnings for the Year 1943		2,580,338.58
		$ 8,745,021.51
Deduct—Dividends Paid in Cash:		
Preferred Stock:		
Four Quarterly Dividends Aggregating 7% on Par Value	$ 163,101.93	
Common Stock:		
March 15, 1943 $.30 per share	$549,420.00	
June 15, 1943 $.30 per share	549,420.00	
September 15, 1943 $.30 per share	549,420.00	
December 15, 1943 (year end) $.40 per share	732,560.00	
Total Dividends on Common Stock—$1.30 per share	2,380,820.00	
Total Dividends Paid		2,543,921.93
Surplus—December 31, 1943		$ 6,201,099.58

UNITED STATES TOBACCO COMPANY

FINANCIAL STATEMENT—DECEMBER 31, 1943

ASSETS

CURRENT:			
Cash on Deposit and on Hand		$ 3,484,560.55	
Accounts Receivable—Customers (net)		968,317.20	
Inventories of Leaf Tobacco, Manufactured Products and Supplies		12,364,219.84	
Marketable Securities (at lower of cost or market. Aggregate quoted market price $5,932,721.12):			
U. S. Government Issues	$ 3,700,867.79		
Industrial and Other Bonds	257,012.33		
Preferred Stocks	811,688.54		
Common Stocks	988,149.77	5,757,718.43	$22,574,816.02
OTHER ASSETS:			
Capital Stock of National Tobacco Company, Ltd., Canada		$ 600,000.00	
Sundry Notes and Accounts Receivable		107,285.03	707,285.03
PROPERTY, PLANT AND EQUIPMENT:			
Land—at Cost		$ 316,427.30	
Buildings, Machinery and Equipment—at Cost	$ 8,334,984.81		
Less Reserves for Depreciation and Obsolescence	2,836,684.02	5,498,300.79	5,814,728.09
GOOD-WILL, TRADE-MARKS, PATENTS, etc.			1.00
PREPAID EXPENSES			67,393.24
			$29,164,223.38

LIABILITIES

CURRENT:		
Accounts Payable	$ 312,283.70	
Accrued Expenses—other than Taxes on Income	175,393.85	
United States and Canadian Taxes on Income for the Year 1943—Estimated	1,674,107.99	$ 2,161,785.54
GENERAL RESERVE		3,527,638.26
CAPITAL STOCK AND SURPLUS:		
Preferred Stock—7% non-cumulative—Par Value $25.00 Per Share:		
Authorized—93,200 Shares		
Outstanding—93,200 Shares	$ 2,330,000.00	
Common Stock—No Par Value:		
Authorized—2,400,000 Shares		
Outstanding—1,831,400 Shares	14,943,700.00	
Earned Surplus	6,201,099.58	23,474,799.58
		$29,164,223.38

UNITED STATES TOBACCO COMPANY

REPORT OF AUDITORS

To the Board of Directors of
United States Tobacco Company:

We have examined the financial statement of United States Tobacco Company as of December 31, 1943, and the statements of income and surplus for the year then ended, have reviewed the system of internal control and the accounting procedures of the Company, and, without making a detailed audit of the transactions, have examined or tested accounting records of the Company and other supporting evidence, by methods, at times and to the extent we deemed appropriate. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all procedures which we considered necessary.

Cash and marketable securities were accounted for. The Company's methods of determining inventory quantities and amounts were reviewed, including test checks of inventory quantities. Inventories of leaf tobacco, manufactured products and supplies were priced at average cost as in former years.

In our opinion, the accompanying financial statement and related statements of income and surplus present fairly the position of United States Tobacco Company at December 31, 1943, and the results of its operations for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Ernst & Ernst.

New York, N. Y.
February 15, 1944.

UNITED STATES TOBACCO COMPANY

DIRECTORS AND OFFICERS

JOHN M. DEVOE ..... *Director and President*

J. WHITNEY PETERSON ..... *Director and Executive Vice President*

KHARL A. BREWER ..... *Director and Vice President*

FREDERICK W. BROOK ..... *Director and Vice President*

CHARLES G. CONN ..... *Director and Vice President*

OSCAR C. HANK ..... *Director and Vice President*

JOHN G. HAYES ..... *Director and Vice President*

ROBERT J. KOHBERGER ..... *Director and Secretary and Treasurer*

ERIC J. SEYFFER ..... *Assistant Secretary and Assistant Treasurer*

JAMES W. ABBOTT ..... *Director and Auditor*

GARNER DEVOE ..... *Director*

ISAAC L. ELLIOTT ..... *Director*

Transfer Agent
CITY BANK FARMERS TRUST COMPANY
New York, N. Y.

Registrar
THE NATIONAL CITY BANK OF NEW YORK
New York, N. Y.

Auditors
ERNST & ERNST
New York, N. Y.

Corporate Office
117 MAIN STREET
Flemington, N. J.

Executive Office
630 FIFTH AVENUE
New York, N. Y.

UNITED STATES TOBACCO COMPANY

March 13, 1944.

To Our Stockholders:

There are submitted herewith the reports of the Treasurer of the Company and the independent auditors for the year ended December 31, 1943.

Net earnings were $2,580,338, as compared with $2,613,484 for the year of 1942. After deducting dividends at the rate of 7% on the Preferred Stock, the earnings per share of Common Stock were $1.32 for 1943 as against $1.34 for the preceding year. Dividends paid on the Common Stock aggregated $1.30 per share. Sales were maintained close to the highest volume ever attained by the Company.

Net current assets amounted to $20,413,030, an increase of $396,334 over the preceding year. The Company's valuable good-will, trade-marks, patents, etc., are carried in the financial statement at $1.00, as heretofore.

On August 31, 1943, Mr. Isaac L. Elliott, who ever since the formation of this Company has been actively associated with its management, retired as Secretary and Treasurer. Mr. Elliott devoted himself unstintingly during all of those years to rendering an efficient and loyal service of great value to the Company. As he is still a member of the Board of Directors the Company will continue to receive the benefit of his advice and counsel. Mr. R. J. Kohberger, Assistant Secretary and Assistant Treasurer of the Company for many years, was elected Secretary and Treasurer.

Many problems of operating the business under wartime economy will continue to confront us until victory. It is reasonable to expect that such problems will be met with the same success as in the past. It has been the endeavor of the management and organization at all times to approach each new problem in a manner that will assure complete co-operation with the national war effort. At the same time, our efforts have been constantly directed to the maintenance of our quality standards and to the preservation and promotion of good-will among our customers, dealers and consumers. We shall continue to further these ideals and policies.

John M. DeVoe,
President.

338.7
Un587
1944

UNITED STATES TOBACCO COMPANY

630 FIFTH AVE. • ROCKEFELLER CENTER • NEW YORK 20, N. Y.

ANNUAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 1944

THE LIBRARY OF THE
SEP 23 1948
UNIVERSITY OF ILLINOIS

UNITED STATES TOBACCO COMPANY

Flemington, N. J., March 12, 1945.

TO THE STOCKHOLDERS OF

UNITED STATES TOBACCO COMPANY:

I respectfully submit a report of the financial condition of your Company for the year ended December 31, 1944.

ROBERT J. KOHBERGER, Treasurer.

INCOME

Sales, less Discounts, Allowances and Sales Deductions		$18,276,298.03
DEDUCT:		
Cost of Goods Sold, Selling, Administrative and General Expenses	$14,878,571.88	
Provision for Depreciation and Obsolescence	325,259.06	15,203,830.94
		$ 3,072,467.09
ADD:		
Dividends, Interest and Miscellaneous Income		539,016.54
		$ 3,611,483.63
DEDUCT:		
Taxes on Income—Estimated:		
United States:		
Normal Income Tax and Surtax	$ 1,290,000.00	
Less Estimated Refunds of Prior Years' Taxes (net)	31,025.68	
	$ 1,258,974.32	
Canadian Income and Excess Profits Tax (less estimated post-war refund of $7,353.76)	98,268.49	1,357,242.81
NET EARNINGS FOR THE YEAR		$ 2,254,240.82

SURPLUS

Balance—January 1, 1944		$ 6,201,099.58
ADD—Net Earnings for the Year 1944		2,254,240.82
		$ 8,455,340.40
DEDUCT—Dividends Paid in Cash:		
Preferred Stock:		
Four Quarterly Dividends Aggregating 7% on Par Value	$ 163,102.07	
Common Stock:		
Four Dividends of $.30 per share—$1.20 per share.	2,197,680.00	2,360,782.07
SURPLUS—December 31, 1944		$ 6,094,558.33

UNITED STATES TOBACCO COMPANY

FINANCIAL STATEMENT—DECEMBER 31, 1944

ASSETS

CURRENT:			
Cash on Deposit and on Hand		$ 3,509,874.58	
Accounts Receivable—Customers (net)		964,698.08	
Inventories of Leaf Tobacco, Manufactured Products and Supplies		13,265,537.91	
Marketable Securities (at lower of cost or market. Aggregate quoted market price $4,931,466.06):			
U. S. Government Issues	$2,942,314.66		
Industrial and Other Bonds	246,761.48		
Preferred Stocks	509,635.65		
Common Stocks	1,039,666.56	4,738,378.35	$22,478,488.92
OTHER ASSETS:			
Capital Stock of National Tobacco Company, Ltd., Montreal, Canada		$ 600,000.00	
Sundry Notes and Accounts Receivable		110,941.71	
Estimated Refunds (net) of Prior Years Taxes on Income and Estimated Post-War Refund of Canadian Excess Profits Tax		56,977.03	767,918.74
PROPERTY, PLANT AND EQUIPMENT:			
Land—at Cost		$ 242,356.29	
Buildings, Machinery and Equipment—at Cost	$8,392,679.11		
Less Reserves for Depreciation and Obsolescence	3,130,502.10	5,262,177.01	5,504.533.30
GOOD-WILL, TRADE-MARKS, PATENTS, etc.			1.00
PREPAID EXPENSES			60,016.89
			$28,810,958.85

LIABILITIES

CURRENT:			
Accounts Payable		$ 380,607.98	
Accrued Expenses—other than Taxes on Income		190,642.04	
United States and Canadian Taxes on Income for the Year 1944—Estimated		1,327,304.44	$ 1,898,554.46
GENERAL RESERVE			3,544,146.06
CAPITAL STOCK AND SURPLUS:			
Preferred Stock—7% non-cumulative—Par Value $25.00 Per Share:			
Authorized—93,200 Shares			
Outstanding—93,200 Shares		$ 2,330,000.00	
Common Stock—No Par Value:			
Authorized—2,400,000 Shares			
Outstanding—1,831,400 Shares		14,943,700.00	
Earned Surplus		6,094,558.33	23,368,258.33
			$28,810,958.85

338.7
U n53T
1944

UNITED STATES TOBACCO COMPANY

REPORT OF AUDITORS

To the Board of Directors of
UNITED STATES TOBACCO COMPANY:

We have examined the financial statement of United States Tobacco Company as of December 31, 1944, and the statements of income and surplus for the year then ended, have reviewed the system of internal control and the accounting procedures of the Company, and, without making a detailed audit of the transactions, have examined or tested accounting records of the Company and other supporting evidence, by methods, at times and to the extent we deemed appropriate. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all procedures which we considered necessary.

Cash and marketable securities were accounted for. The Company's methods of determining inventory quantities and amounts were reviewed, including test checks of inventory quantities. Inventories of leaf tobacco, manufactured products and supplies were priced at average cost as in former years.

In our opinion, the accompanying financial statement and related statements of income and surplus present fairly the position of United States Tobacco Company at December 31, 1944, and the results of its operations for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

ERNST & ERNST.

New York, N. Y.
February 28, 1945.

SEP 23 1948 Business records lib.

UNITED STATES TOBACCO COMPANY

DIRECTORS AND OFFICERS

JOHN M. DEVOE ..... *Director and President*

J. WHITNEY PETERSON ..... *Director and Executive Vice President*

KHARL A. BREWER ..... *Director and Vice President*

FREDERICK W. BROOK ..... *Director and Vice President*

CHARLES G. CONN ..... *Director and Vice President*

OSCAR C. HANK ..... *Director and Vice President*

JOHN G. HAYES ..... *Director and Vice President*

ROBERT J. KOHBERGER ..... *Director and Secretary and Treasurer*

ERIC J. SEYFFER ..... *Assistant Secretary and Assistant Treasurer*

JAMES W. ABBOTT ..... *Director and Auditor*

GARNER DEVOE ..... *Director*

ISAAC L. ELLIOTT ..... *Director*

Transfer Agent
CITY BANK FARMERS TRUST COMPANY
New York, N. Y.

Registrar
THE NATIONAL CITY BANK OF NEW YORK
New York, N. Y.

Auditors
ERNST & ERNST
New York, N. Y.

Corporate Office
117 MAIN STREET
Flemington, N. J.

Executive Office
630 FIFTH AVENUE
New York 20, N. Y.

UNITED STATES TOBACCO COMPANY

March 12, 1945.

To the Stockholders of
United States Tobacco Company:

The reports of the Treasurer of your Company and the independent auditors for the year ended December 31, 1944, are submitted herewith.

They reflect a very sound financial condition. The operating results should be considered in the light of war-time operations within an industry that is not rated as essential to the war-effort.

During 1944, the third year of war, your Company was faced with increasing difficulties of operation in the production and distribution of its products and in maintaining profit levels. Labor and other costs advanced still further on top of the advances of 1942 and 1943, while selling prices on all our finished products have remained frozen as of March, 1942, under O.P.A. regulations. The increased costs were offset to such an extent as was possible and practicable by improved production methods and operating economies, including a reduction in advertising expenditures.

There has also been a continuing shortage of labor and of packaging and shipping materials, with a restricted supply of leaf tobacco, to such an extent that it became necessary to curtail production in certain sizes of containers and to withdraw some products from the market. At present all brands of our smoking tobaccos, even with increased production, are being shipped to our customers on an allotment basis far below their demands and requirements.

In spite of conditions, your Company's net earnings for the year were $2,254,241 as compared with $2,580,338, for the preceding year. After payment of dividends on the Preferred Stock, the earnings per share on the Common Stock were $1.14 for 1944 against $1.32 for 1943. Dividends amounting to $1.20 per share were paid on the Common Stock.

The Financial Statement shows Net Current Assets of $20,579,934 or $166,904 greater than at the end of the preceding year. There has been no change in carrying the Company's valuable good-will, trade-marks, patents, etc. in the assets at $1.00.

John M. DeVoe,
President.

338.7
Un587
1945

UNITED STATES TOBACCO COMPANY

630 FIFTH AVE. • ROCKEFELLER CENTER • NEW YORK 20, N. Y.

ANNUAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 1945

THE LIBRARY OF THE
SEP 23 1948
UNIVERSITY OF

UNITED STATES TOBACCO COMPANY

Flemington, N. J., March 11, 1946.

To the Stockholders of

United States Tobacco Company:

I respectfully submit a report of the financial condition of your Company for the year ended December 31, 1945.

Robert J. Kohberger, Treasurer.

INCOME

Net Sales		$18,447,068.14
Deduct:		
Cost of Goods Sold, Selling, Administrative and General Expenses	$14,781,321.22	
Provision for Depreciation and Obsolescence	377,152.46	15,158,473.68
		$ 3,288,594.46
Add:		
Dividends, Interest and Miscellaneous Income		372,976.72
		$ 3,661,571.18
Deduct:		
Taxes on Income—Estimated:		
United States Normal Income Tax and Surtax	$ 1,350,000.00	
Canadian Income and Excess Profits Tax (less estimated post-war refund of $7,350.46)	71,227.78	1,421,227.78
Net Earnings for the Year		$ 2,240,343.40

SURPLUS

Balance—January 1, 1945		$ 6,094,558.33
Add:		
Net Earnings for the Year 1945	$ 2,240,343.40	
Transfer to Earned Surplus from General Reserve (set aside from earnings of prior years)	3,402,212.56	5,642,555.96
		$11,737,114.29
Deduct—Dividends Paid in Cash:		
Preferred Stock:		
Four Quarterly Dividends Aggregating 7% on Par Value	$ 163,102.14	
Common Stock:		
Four Quarterly Dividends of $.30 per share—$1.20 per share	2,197,680.00	
Total Dividends Paid	$ 2,360,782.14	
Adjustment of Reserves for Depreciation and Obsolescence Accumulated in Prior Years to Federal Income Tax Basis	298,232.70	2,659,014.84
Surplus—December 31, 1945		$ 9,078,099.45

UNITED STATES TOBACCO COMPANY

FINANCIAL STATEMENT—DECEMBER 31, 1945

ASSETS

CURRENT ASSETS:		
Cash on Deposit and on Hand		$ 3,762,824.81
Marketable Securities (at lower of cost or market—aggregate quoted market price $2,704,030.17):		
United States Government Issues	$ 852,973.47	
Other Bonds	180,899.41	
Preferred Stocks	390,861.67	
Common Stocks	923,735.72	2,348,470.27
Accounts Receivable—Customers (net)		642,782.95
Inventories (at average cost):		
Leaf Tobacco	$11,554,706.70	
Goods in Process and Finished	2,246,728.24	
Other Raw Materials and Supplies	1,483,396.30	15,284,831.24
Total Current Assets		$22,038,909.27
OTHER ASSETS:		
Capital Stock of National Tobacco Company, Ltd.	$ 600,000.00	
Sundry Notes and Accounts Receivable	179,016.39	
Estimated Refundable United States and Canadian Excess Profits Taxes	74,979.19	853,995.58
PROPERTY, PLANT AND EQUIPMENT:		
Land—at Cost	$ 304,091.89	
Buildings, Machinery and Equipment at Cost of $8,598,674.46 less Reserves for Depreciation and Obsolescence of $3,749,555.22	4,849,119.24	5,153,211.13
GOOD-WILL, TRADE-MARKS, PATENTS, ETC.		1.00
PREPAID EXPENSES		260,407.09
		$28,306,524.07

LIABILITIES

CURRENT LIABILITIES:		
Accounts Payable and Accrued Accounts	$ 218,302.89	
Taxes—other than on Income	155,722.20	
United States and Canadian Taxes on Income—Estimated	1,380,699.53	
Total Current Liabilities		$ 1,754,724.62
GENERAL RESERVE		200,000.00
CAPITAL STOCK AND SURPLUS:		
Preferred Stock—7% non-cumulative—Par Value $25.00 Per Share:		
Authorized—93,200 Shares		
Outstanding—93,200 Shares	$ 2,330,000.00	
Common Stock—No Par Value:		
Authorized—2,400,000 Shares		
Outstanding—1,831,400 Shares	14,943,700.00	
Earned Surplus	9,078,099.45	26,351,799.45
		$28,306,524.07

U.S.B.T.
U.S.B.T.
1945

UNITED STATES TOBACCO COMPANY

REPORT OF AUDITORS

To the Board of Directors of
UNITED STATES TOBACCO COMPANY:

We have examined the financial statement of United States Tobacco Company as of December 31, 1945, and the statements of income and surplus for the year then ended, have reviewed the system of internal control and the accounting procedures of the Company, and, without making a detailed audit of the transactions, have examined or tested accounting records of the Company and other supporting evidence, by methods, at times and to the extent we deemed appropriate. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all procedures which we considered necessary.

In our opinion, the accompanying financial statement and related statements of income and surplus present fairly the position of United States Tobacco Company at December 31, 1945, and the results of its operations for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

ERNST & ERNST.

New York, N. Y.
February 28, 1946.

UNITED STATES TOBACCO COMPANY

March 11, 1946.

To The Stockholders:

On Thursday, January 24th, 1946, Jonathan Whitney Peterson, was elected President of United States Tobacco Company, to succeed the late John M. DeVoe. Mr. Peterson is the Company's third president, and is the son of its first chief executive, Jonathan Peterson, elected at the time of organization in 1911.

Mr. Peterson has spent his entire business life in the service of the Company, having started in July, 1921, at the age of twenty-three. After more than a year in the factories at Richmond, Nashville, and Chicago, Mr. Peterson became a salesman for the Company, covering the tobacco trade in various parts of the country for two years. In 1924, he became Assistant Department Sales Manager of the Metropolitan New York area. Three years later he was appointed Department Manager of the New England territory.

In 1929, Mr. Peterson was elected a Vice President and Director, and appointed Department Sales Manager of the Metropolitan New York area in the following year. Since March, 1939, he has served as Executive Vice President.

Board of Directors.

DIRECTORS AND OFFICERS

J. Whitney Peterson ..... *Director and President*
James W. Abbott ..... *Director and Vice President*
Louis A. Bantle ..... *Director and Vice President*
Kharl A. Brewer ..... *Director and Vice President*
Frederick W. Brook ..... *Director and Vice President*
Charles G. Conn ..... *Director and Vice President*
John G. Hayes ..... *Director and Vice President*
Robert J. Kohberger ..... *Director and Secretary and Treasurer*
Eric J. Seyffer ..... *Assistant Secretary and Assistant Treasurer*
Garner DeVoe ..... *Director*
Isaac L. Elliott ..... *Director*
Harry Dwight Smith ..... *Director*

UNITED STATES TOBACCO COMPANY

March 11, 1946.

To the Stockholders of
United States Tobacco Company:

In the report of the Treasurer of the Company, submitted herewith, the earnings for the year of 1945 amounted to $2,240,343, equivalent to $1.13 per share on the Common Stock, after deducting the dividends paid on the Preferred Stock. In 1944 the earnings were $2,254,241, or $1.14 per share on the Common Stock.

Sales during 1945 were $170,770 greater than for the preceding year, accounted for in part by the increase in selling prices of our smoking tobaccos granted under OPA regulations, effective October 1st. So far no increase has been approved for the major portion of our volume consisting of dry and moist snuffs.

Earnings from operations were $50,087 higher than in 1944, but the provision for taxes on income was larger in 1945 by $63,985, which accounts for the decrease of $13,898 in net profits.

The accompanying statement again reflects a sound financial position. In 1945 the sum of $3,402,212 was transferred from general reserve to earned surplus. This amount, representing appropriations from earnings set aside over ten years ago, is no longer needed as a provision in the general reserve.

During the past year the Company made an important addition to its manufacturing plant at Chicago, Illinois, through the purchase of an adjoining property on which is located a main factory building of six stories and basement. Reconstruction and remodelling were started last year and upon completion there will be provided room for expansion of our business on moist chewing and snuff brands, more efficient operations and better working conditions for our employees.

It is with the deepest sorrow that we record the sudden death, from a heart attack, of our late President, John M. DeVoe, at his home in Greenwich, Connecticut, early in the afternoon of Sunday, January twentieth, 1946.

As a friend, administrator and guide Mr. DeVoe made an indelible impression on this business and the industry of which he was a part for nearly 55 years.

For the Board of Directors,

By J. W. Peterson,
President.

338.7
Un587
1946

UNITED STATES TOBACCO COMPANY

630 FIFTH AVE. • ROCKEFELLER CENTER • NEW YORK 20, N. Y.

ANNUAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 1946

THE LIBRARY OF THE
SEP 23 1948
UNIVERSITY OF ILLINOIS

UNITED STATES TOBACCO COMPANY

COMPARATIVE INCOME AND SURPLUS STATEMENTS

INCOME

	Year Ended December 31 1946	1945
Net Sales	$18,154,076	$18,447,068
Deduct:		
Cost of Goods Sold, Selling, Administrative and General Expenses	14,608,710	14,781,321
Provision for Depreciation	376,503	377,153
	$14,985,213	$15,158,474
	$ 3,168,863	$ 3,288,594
Add:		
Dividends, Interest and Miscellaneous Income	341,783	372,977
	$ 3,510,646	$ 3,661,571
Deduct:		
Taxes on Income—Estimated:		
United States Income Taxes	1,235,000	1,350,000
Canadian Income and Excess Profits Taxes	77,567	71,228
	$ 1,312,567	$ 1,421,228
Net Earnings for Year	$ 2,198,079	$ 2,240,343

SURPLUS

Balance at Beginning of Year	$ 9,078,099	$ 6,094,558
Add:		
Net Earnings for Year—as above	2,198,079	2,240,343
Transfer to Earned Surplus from Reserves (set aside from earnings in prior years)	45,011	3,402,213
	$11,321,189	$11,737,114
Deduct:		
Dividends Paid in Cash:		
Preferred Stock	163,102	163,102
Common Stock	2,197,680	2,197,680
Total Dividends Paid	$ 2,360,782	$ 2,360,782
Adjustment of Reserves for Depreciation Accumulated in Prior Years to Federal Income Tax Basis	0	298,233
	$ 2,360,782	$ 2,659,015
Balance at End of Year	$ 8,960,407	$ 9,078,099

UNITED STATES TOBACCO COMPANY

COMPARATIVE FINANCIAL STATEMENT

ASSETS	December 31, 1946	December 31, 1945
CURRENT ASSETS:		
Cash on Deposit and on Hand	$ 3,634,971	$ 3,762,825
Marketable Securities—at cost (aggregate quoted market price $2,404,297 at December 31, 1946 and $2,704,030 at December 31, 1945)	2,173,689	2,348,470
Accounts Receivable—Customers (net)	786,436	642,783
Inventories—at average cost:		
Leaf Tobacco	11,832,895	11,554,707
Goods in Process and Finished	1,489,591	2,246,728
Other Raw Materials and Supplies	1,613,604	1,483,396
Total Current Assets	$21,531,186	$22,038,909
OTHER ASSETS:		
Capital Stock of National Tobacco Company, Ltd.	$ 600,000	$ 600,000
Sundry Notes, Accounts and Claims Receivable	217,720	253,996
Total Other Assets	$ 817,720	$ 853,996
PROPERTY, PLANT AND EQUIPMENT:		
Buildings, Machinery and Equipment—at cost	$ 9,083,618	$ 8,598,674
Less Reserves for Depreciation	4,002,410	3,749,555
	$ 5,081,208	$ 4,849,119
Land—at cost	331,209	304,092
Total Property, Plant and Equipment (net)	$ 5,412,417	$ 5,153,211
GOOD-WILL, TRADE-MARKS, PATENTS, ETC	1	1
PREPAID EXPENSES	303,026	260,407
	$28,064,350	$28,306,524

LIABILITIES, CAPITAL STOCK AND SURPLUS

CURRENT LIABILITIES:		
Accounts Payable and Accrued Accounts	$ 200,526	$ 218,303
Taxes—other than on Income	152,610	155,722
United States and Canadian Taxes on Income—Estimated	1,277,107	1,380,700
Total Current Liabilities	$ 1,630,243	$ 1,754,725
GENERAL RESERVE	200,000	200,000
CAPITAL STOCK AND SURPLUS:		
Preferred Stock—7% non-cumulative—Par Value $25.00 Per Share:		
Authorized — 93,200 Shares		
Outstanding— 93,200 Shares	2,330,000	2,330,000
Common Stock—No Par Value:		
Authorized —2,400,000 Shares		
Outstanding—1,831,400 Shares	14,943,700	14,943,700
Earned Surplus	8,960,407	9,078,099
Total Capital Stock and Surplus	$26,234,107	$26,351,799
	$28,064,350	$28,306,524

2357
U55e1
1946

UNITED STATES TOBACCO COMPANY

REPORT OF AUDITORS

To the Board of Directors of

UNITED STATES TOBACCO COMPANY:

We have examined the financial statement of United States Tobacco Company as of December 31, 1946, and the statements of income and surplus for the year then ended, have reviewed the system of internal control and the accounting procedures of the Company, and, without making a detailed audit of the transactions, have examined or tested accounting records of the Company and other supporting evidence, by methods, at times and to the extent we deemed appropriate. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all procedures which we considered necessary. We made similar examinations and reports for 1945 and preceding years.

In our opinion, the accompanying financial statement and related statements of income and surplus present fairly the position of United States Tobacco Company at December 31, 1946, and the results of its operations for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

ERNST & ERNST.

New York, N. Y.
February 7, 1947.

UNITED STATES TOBACCO COMPANY

DIRECTORS AND OFFICERS

J. Whitney Peterson ..... *Director and President*

James W. Abbott ..... *Director and Vice President*

Louis A. Bantle ..... *Director and Vice President*

Kharl A. Brewer ..... *Director and Vice President*

Frederick W. Brook ..... *Director and Vice President*

Phill T. Roberts, Jr. ..... *Director and Vice President*

John A. Wang ..... *Director and Vice President*

Robert J. Kohberger ..... *Director and Secretary and Treasurer*

Eric J. Seyffer ..... *Assistant Secretary and Assistant Treasurer*

Garner DeVoe ..... *Director*

Thomas D. Jones ..... *Director*

Harry Dwight Smith ..... *Director*

Transfer Agent
City Bank Farmers Trust Company
New York, N. Y.

Registrar
The National City Bank of New York
New York, N. Y.

Auditors
Ernst & Ernst
New York, N. Y.

Corporate Office
117 Main Street
Flemington, N. J.

Executive Office
630 Fifth Avenue
New York 20, N. Y.

UNITED STATES TOBACCO COMPANY

March 10, 1947.

To the Stockholders of
United States Tobacco Company:

There are presented herewith income and surplus statements and the financial statement of your Company for the year ended December 31, 1946. Comparative statements for the year ended December 31, 1945, are also shown.

Sales for the year totaled $18,154,076, or slightly under 1945, resulting from a decrease in volume on our smoking tobacco brands. This condition prevailed generally throughout this branch of the industry. The increased volume on our snuff brands and the price advances on these brands in effect during the last seven months of 1946, which were the first possible since the inception of O.P.A., were almost sufficient to offset the decrease in sales on the smoking tobacco brands.

Earnings of the Company for 1946 amounted to $2,198,079, compared with $2,240,343 for 1945. After deducting the dividends paid on the Preferred Stock, earnings per share on the Common Stock were equivalent to $1.11 and $1.13 respectively. Earnings during the last half of the year showed a considerable improvement over the first half, and were greater than for the same period in 1945. The outlook for the current year gives promise of continued improvement.

The reconstruction and remodelling work on the manufacturing buildings adjoining our Chicago factory, purchased in 1945, has been delayed by shortages in materials and labor, but is now progressing steadily and should be completed by the latter part of 1947. When completed the new buildings will provide greatly needed facilities for more efficient handling of the increasing volume on our moist snuff and chewing tobacco brands, and will improve the modernized working conditions for our employees.

By order of the Board of Directors,

J. W. Peterson,
President.

338.7
Un587
1947

UNITED STATES TOBACCO COMPANY

March 15, 1948.

To the Stockholders of

United States Tobacco Company:

The operating and financial results of your Company for the year of 1947 were most pleasing, as the trend of improvement in earnings that started in the latter part of 1946 continued throughout 1947, overcoming higher costs for labor, leaf tobacco, materials and supplies, even though there was a decline of $51,413 in sales.

Earnings of the Company for 1947, after deducting Federal Income taxes and dividends on the Preferred Stock, amounted to $2,311,886, or $1.26 per share on the Common Stock, as compared with $2,034,977, or $1.11 per share on the Common Stock for 1946. Prospects for the current year are encouraging for the maintenance of this progress.

The value of leaf tobacco inventory at the end of 1947 was $1,136,047 higher than in 1946. This was partially due to increased cost but mainly to carrying larger well proportioned stocks to provide for an expectant increase in the consumption of our snuff and smoking tobacco brands. The leaf tobacco used in both our snuff and tobacco brands requires a three year storage and ageing period before it is placed in process of manufacture. All withdrawals for manufacture are made at average cost which has been the practice of the industry for many years.

The property, plant and equipment values show an increase over the previous year which reflects the completion of the reconstruction and remodelling work on the manufacturing buildings adjoining our Chicago factory that were purchased in 1945. These buildings are now partially in use, and will be further utilized as additional equipment and machinery, purchased and on order, are installed.

There has been an appreciable increase from 5,003 to 8,632 in the total number of Preferred and Common stockholders during the past five years, or slightly more than 72%; and the holdings of our capital stock are so widespread that stockholders may be found in every state of the Union, as well as several foreign countries.

The statements of income and earnings used in the business and the financial statement of your Company for the year ended December 31, 1947, are presented in the following pages. Comparative statements for the year ended December 31, 1946, are also shown.

By order of the Board of Directors,

J. W. Peterson,
President.

UNITED STATES TOBACCO COMPANY

COMPARATIVE STATEMENT OF INCOME

	Year Ended December 31, 1947	1946
Net Sales	$18,102,663	$18,154,076
Deduct:		
Cost of Goods Sold, Selling, General and Administrative Expenses	14,293,040	14,608,710
Allowance for Depreciation	404,029	376,503
	$14,697,069	$14,985,213
	$ 3,405,594	$ 3,168,863
Add:		
Dividends, Interest and Miscellaneous Income (net)	524,735	341,783
	$ 3,930,329	$ 3,510,646
Deduct:		
Taxes on Income—Estimated:		
United States Income Taxes	1,390,000	1,235,000
Canadian Income and Excess Profits Taxes	65,340	77,567
	$ 1,455,340	$ 1,312,567
Net Earnings for Year	$ 2,474,989	$ 2,198,079

COMPARATIVE STATEMENT OF EARNINGS USED IN THE BUSINESS

Balance at Beginning of Year	$ 8,960,407	$ 9,078,099
Add:		
Net Earnings for Year—as above	2,474,989	2,198,079
Transfer from Reserves (set aside from earnings in prior years)	.....	45,011
	$11,435,396	$11,321,189
Deduct:		
Dividends Paid in Cash:		
Preferred Stock—7% on Par Value in Both Years	163,103	163,102
Common Stock—$1.20 per Share in Both Years	2,197,680	2,197,680
	$ 2,360,783	$ 2,360,782
Balance at End of Year	$ 9,074,613	$ 8,960,407

UNITED STATES TOBACCO COMPANY

COMPARATIVE FINANCIAL STATEMENT

ASSETS	December 31, 1947	December 31, 1946
CURRENT ASSETS:		
Cash on Deposit and on Hand	$ 2,273,499	$ 3,634,971
Marketable Securities—at cost (aggregate quoted market price $1,918,708 at December 31, 1947 and $2,404,297 at December 31, 1946)	1,807,507	2,173,689
Accounts Receivable—Customers (net)	835,928	786,436
Inventories—at average cost:		
Leaf Tobacco	12,968,942	11,832,895
Goods in Process and Finished	1,722,800	1,489,591
Other Raw Materials and Supplies	1,657,729	1,613,604
Total Current Assets	$21,266,405	$21,531,186
OTHER ASSETS:		
Capital Stock of National Tobacco Company, Ltd.	$ 600,000	$ 600,000
Sundry Notes, Accounts and Claims Receivable	230,535	217,720
Total Other Assets	$ 830,535	$ 817,720
PROPERTY, PLANT AND EQUIPMENT:		
Buildings, Machinery and Equipment—at cost	$ 9,824,625	$ 9,083,618
Less Allowances for Depreciation	4,075,766	4,002,410
	$ 5,748,859	$ 5,081,208
Land—at cost	309,537	331,209
Total Property, Plant and Equipment (net)	$ 6,058,396	$ 5,412,417
GOOD-WILL, TRADE-MARKS, PATENTS, ETC	1	1
PREPAID EXPENSES	323,927	303,026
	$28,479,264	$28,064,350

LIABILITIES AND CAPITAL

CURRENT LIABILITIES:		
Accounts Payable and Accrued Accounts	$ 333,101	$ 200,526
Taxes—other than on Income	170,419	152,610
United States and Canadian Taxes on Income—Estimated	1,427,431	1,277,107
Total Current Liabilities	$ 1,930,951	$ 1,630,243
GENERAL RESERVE	200,000	200,000
CAPITAL		
Capital Stock:		
Preferred Stock—7% non-cumulative—Par Value $25.00 Per Share:		
Authorized — 93,200 Shares		
Outstanding— 93,200 Shares	2,330,000	2,330,000
Common Stock—No Par Value:		
Authorized —2,400,000 Shares		
Outstanding—1,831,400 Shares	14,943,700	14,943,700
Earnings Used in the Business	9,074,613	8,960,407
Total Capital	$26,348,313	$26,234,107
	$28,479,264	$28,064,350

UNITED STATES TOBACCO COMPANY

REPORT OF AUDITORS

To the Board of Directors of

UNITED STATES TOBACCO COMPANY:

We have examined the financial statement of United States Tobacco Company as of December 31, 1947, and the statements of income and earnings used in the business for the year then ended, have reviewed the system of internal control and the accounting procedures of the Company, and, without making a detailed audit of the transactions, have examined or tested accounting records of the Company and other supporting evidence, by methods and to the extent we deemed appropriate. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all procedures which we considered necessary. We made similar examinations and reports for 1946 and preceding years.

In our opinion, the accompanying financial statement and related statements of income and earnings used in the business present fairly the position of United States Tobacco Company at December 31, 1947, and the results of its operations for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

ERNST & ERNST.

New York, N. Y.
March 1, 1948.

UNITED STATES TOBACCO COMPANY

DIRECTORS AND OFFICERS

J. Whitney Peterson ..... *Director and President*

James W. Abbott ..... *Director and Vice President*

Louis A. Bantle ..... *Director and Vice President*

Kharl A. Brewer ..... *Director and Vice President*

Frederick W. Brook ..... *Director and Vice President*

Phill T. Roberts, Jr. ..... *Director and Vice President*

John A. Wang ..... *Director and Vice President*

Robert J. Kohberger ..... *Director and Secretary and Treasurer*

Eric J. Seyffer ..... *Assistant Secretary and Assistant Treasurer*

Garner DeVoe ..... *Director*

Thomas D. Jones ..... *Director*

Harry Dwight Smith ..... *Director*

Transfer Agent
City Bank Farmers Trust Company
New York, N. Y.

Registrar
The National City Bank of New York
New York, N. Y.

Auditors
Ernst & Ernst
New York, N. Y.

Corporate Office
117 Main Street
Flemington, N. J.

Executive Office
630 Fifth Avenue
New York 20, N. Y.

338.7
Un587
1947

UNITED STATES TOBACCO COMPANY

March 15, 1948.

To the Stockholders of

United States Tobacco Company:

The operating and financial results of your Company for the year of 1947 were most pleasing, as the trend of improvement in earnings that started in the latter part of 1946 continued throughout 1947, overcoming higher costs for labor, leaf tobacco, materials and supplies, even though there was a decline of $51,413 in sales.

Earnings of the Company for 1947, after deducting Federal Income taxes and dividends on the Preferred Stock, amounted to $2,311,886, or $1.26 per share on the Common Stock, as compared with $2,034,977, or $1.11 per share on the Common Stock for 1946. Prospects for the current year are encouraging for the maintenance of this progress.

The value of leaf tobacco inventory at the end of 1947 was $1,136,047 higher than in 1946. This was partially due to increased cost but mainly to carrying larger well proportioned stocks to provide for an expectant increase in the consumption of our snuff and smoking tobacco brands. The leaf tobacco used in both our snuff and tobacco brands requires a three year storage and ageing period before it is placed in process of manufacture. All withdrawals for manufacture are made at average cost which has been the practice of the industry for many years.

The property, plant and equipment values show an increase over the previous year which reflects the completion of the reconstruction and remodelling work on the manufacturing buildings adjoining our Chicago factory that were purchased in 1945. These buildings are now partially in use, and will be further utilized as additional equipment and machinery, purchased and on order, are installed.

There has been an appreciable increase from 5,003 to 8,632 in the total number of Preferred and Common stockholders during the past five years, or slightly more than 72%; and the holdings of our capital stock are so widespread that stockholders may be found in every state of the Union, as well as several foreign countries.

The statements of income and earnings used in the business and the financial statement of your Company for the year ended December 31, 1947, are presented in the following pages. Comparative statements for the year ended December 31, 1946, are also shown.

By order of the Board of Directors,

J. W. Peterson,
President.

338.7
Un587
1948

UNITED STATES TOBACCO COMPANY

March 14, 1949.

TO THE STOCKHOLDERS OF
UNITED STATES TOBACCO COMPANY:

Net earnings of the Company for 1948 amounted to $3,204,228, which after deducting Preferred dividends was equivalent to $1.66 per share on the Common Stock, as compared with $2,474,989, and $1.26 per share on the Common Stock for 1947. Four quarterly dividends of 43¾¢ per share each were paid on the Preferred Stock, and three quarterly dividends of 30¢ per share each and a year-end dividend of 45¢ per share were paid on the Common Stock during 1948, making total dividends on the Common Stock of $1.35 per share, compared with $1.20 per share in the preceding year. Dividends on both classes of capital stock were paid each year since the organization of the Company in 1911.

Sales totalled $20,721,206 for 1948. This was an increase of 14½% over the previous year, which was due to an adjustment in prices effective December, 1947, and to an increase in the total quantity of our products shipped to customers. Advertising programs are under continuous appraisal, both as to our own salesmen's activities and consumer advertising, through the study of radio, television, bill boards, newspapers and magazines, to create an increasing demand for our Smoking Tobaccos, Moist Snuffs, and Scotch (Dry) Snuffs, within the most potential markets.

Net current assets on December 31, 1948, were substantially the same as a year ago. The Company's expanding business, as well as the continuing effect of rising costs, has required heavier investments in inventories, equipment, and plant facilities. The reserve of cash and marketable securities, accumulated some years ago, has been advantageously used for carrying more and higher cost leaf tobacco, materials, and supplies, and for the general modernization program and enlargement of the Chicago factory. In 1947, the Company entered into a credit agreement with several New York banks, against which short term borrowings were made, but these loans were liquidated before the end of the year. It was necessary to resume borrowing under this agreement shortly after the turn of the year.

Employee relations continue pleasant. The insurance, hospitalization, and retirement income plans adopted by the stockholders in 1947 produced in their first full year of operation effective contributions toward the employees' welfare and efficiency. The Insurance and Hospitalization Plan covered 1,078 employees and benefits were paid to 95. The Retirement Income Plan covered 600 employees on December 31, 1948, being 98% of those eligible to participate through the attainment of the required length of service and age under the plan applicable to all employees. The cost of the plans, which was less than originally estimated, amounted to $248,050 for 1948, of which $122,020 represented one tenth of the initial past service cost of the Retirement Income Plan.

With so much uncertainty about corporate taxes and economic conditions, it is difficult to express an opinion about the prospects for 1949, although our volume of sales so far this year is considered favorable.

Statements giving details of earnings and of the Company's financial position are shown on the following pages, together with a report by independent auditors. Comparative data for the preceding year are also presented.

By order of the Board of Directors,

J. W. PETERSON, *President.*

UNITED STATES TOBACCO COMPANY

COMPARATIVE STATEMENT OF INCOME

	Year Ended December 31, 1948	1947
Net Sales	$20,721,206	$18,102,663
Deduct:		
Cost of Goods Sold, Selling, Administrative, and General Expenses	15,238,474	14,293,040
Allowance for Depreciation	462,014	404,029
	$15,700,488	$14,697,069
	$ 5,020,718	$ 3,405,594
Add:		
Dividends, Interest, and Miscellaneous Income (net)	110,887	524,735
	$ 5,131,605	$ 3,930,329
Deduct:		
Taxes on Income—Estimated:		
United States Income Taxes	1,890,000	1,390,000
Canadian Income Taxes	37,377	65,340
	$ 1,927,377	$ 1,455,340
Net Earnings for Year	$ 3,204,228	$ 2,474,989

COMPARATIVE STATEMENT OF EARNINGS USED IN THE BUSINESS

Balance at Beginning of Year	$ 9,074,613	$ 8,960,407
Add:		
Net Earnings for Year—as above	3,204,228	2,474,989
	$12,278,841	$11,435,396
Deduct:		
Dividends Paid in Cash:		
Preferred Stock—$1.75 Per Share in Both Years	163,104	163,103
Common Stock—$1.35 Per Share in 1948 and $1.20 Per Share in 1947	2,472,390	2,197,680
	$ 2,635,494	$ 2,360,783
Balance at End of Year	$ 9,643,347	$ 9,074,613

338.7
Un587
1948

UNITED STATES TOBACCO COMPANY

COMPARATIVE FINANCIAL STATEMENT

ASSETS	December 31, 1948	December 31, 1947
CURRENT ASSETS:		
Cash on Deposit and on Hand	$ 1,996,524	$ 2,273,499
Marketable Securities—at cost (aggregate quoted market price $1,809,406 at December 31, 1948 and $1,918,708 at December 31, 1947)	1,708,865	1,807,507
Accounts Receivable—Customers (net)	898,230	835,928
Inventories—at average cost:		
Leaf Tobacco	13,574,204	12,968,942
Goods in Process and Finished	1,955,597	1,722,800
Other Raw Materials and Supplies	1,773,905	1,657,729
Total Current Assets	$21,907,325	$21,266,405
OTHER ASSETS:		
Capital Stock of National Tobacco Company, Ltd.	$ 600,000	$ 600,000
Sundry Notes, Accounts, and Claims Receivable	253,261	230,535
Total Other Assets	$ 853,261	$ 830,535
PROPERTY, PLANT AND EQUIPMENT:		
Buildings, Machinery, and Equipment—at cost	$10,390,983	$ 9,824,625
Less Allowances for Depreciation	4,408,357	4,075,766
	$ 5,982,626	$ 5,748,859
Land—at cost	316,753	309,537
Total Property, Plant, and Equipment (net)	$ 6,299,379	$ 6,058,396
GOOD-WILL, TRADE-MARKS, PATENTS, ETC.	1	1
PREPAID EXPENSES	606,909	323,927
	$29,666,875	$28,479,264

LIABILITIES AND CAPITAL

CURRENT LIABILITIES:		
Accounts Payable and Accrued Accounts	$ 422,735	$ 333,101
Taxes—other than on Income	198,919	170,419
United States and Canadian Taxes on Income—Estimated	1,928,174	1,427,431
Total Current Liabilities	$ 2,549,828	$ 1,930,951
GENERAL RESERVE	200,000	200,000
CAPITAL:		
Preferred Stock—7% non-cumulative—Par Value $25.00 Per Share:		
Authorized — 93,200 Shares		
Outstanding— 93,200 Shares	2,330,000	2,330,000
Common Stock—No Par Value:		
Authorized —2,400,000 Shares		
Outstanding—1,831,400 Shares	14,943,700	14,943,700
Earnings Used in the Business	9,643,347	9,074,613
Total Capital	$26,917,047	$26,348,313
	$29,666,875	$28,479,264

12 Mu 49 ais 1948 cont.

UNITED STATES TOBACCO COMPANY

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of
United States Tobacco Company:

We have examined the financial statement of United States Tobacco Company as of December 31, 1948, and the related statements of income and earnings used in the business for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We made similar examinations and reports for 1947 and preceding years.

In our opinion, the accompanying financial statement and statements of income and earnings used in the business present fairly the financial position of United States Tobacco Company at December 31, 1948, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Ernst & Ernst.

New York, N. Y.
March 2, 1949.

UNITED STATES TOBACCO COMPANY

DIRECTORS AND OFFICERS

J. Whitney Peterson.....*Director and President*

Courtenay N. Aten.....*Director and Vice President*

Louis A. Bantle.....*Director and Vice President*

Kharl A. Brewer.....*Director and Vice President*

Frederick W. Brook.....*Director and Vice President*

Phill T. Roberts, Jr.....*Director and Vice President*

John A. Wang.....*Director and Vice President*

Robert J. Kohberger.....*Director and Secretary and Treasurer*

Eric J. Seyffer.....*Assistant Secretary and Assistant Treasurer*

Thomas D. Jones.....*Director*

Charles E. Lovell.....*Director*

Emmons B. Stone.....*Director*

Transfer Agent
City Bank Farmers Trust Company
New York, N. Y.

Registrar
The National City Bank of New York
New York, N. Y.

Auditors
Ernst & Ernst
New York, N. Y.

Corporate Office
117 Main Street
Flemington, N. J.

Executive Office
630 Fifth Avenue
New York 20, N. Y.

U. OF ILL. LIB.

338.7
Un587
1948

UNITED STATES TOBACCO COMPANY

March 14, 1949.

TO THE STOCKHOLDERS OF
UNITED STATES TOBACCO COMPANY:

Net earnings of the Company for 1948 amounted to $3,204,228, which after deducting Preferred dividends was equivalent to $1.66 per share on the Common Stock, as compared with $2,474,989, and $1.26 per share on the Common Stock for 1947. Four quarterly dividends of 43¾¢ per share each were paid on the Preferred Stock, and three quarterly dividends of 30¢ per share each and a year-end dividend of 45¢ per share were paid on the Common Stock during 1948, making total dividends on the Common Stock of $1.35 per share, compared with $1.20 per share in the preceding year. Dividends on both classes of capital stock were paid each year since the organization of the Company in 1911.

Sales totalled $20,721,206 for 1948. This was an increase of 14½% over the previous year, which was due to an adjustment in prices effective December, 1947, and to an increase in the total quantity of our products shipped to customers. Advertising programs are under continuous appraisal, both as to our own salesmen's activities and consumer advertising, through the study of radio, television, bill boards, newspapers and magazines, to create an increasing demand for our Smoking Tobaccos, Moist Snuffs, and Scotch (Dry) Snuffs, within the most potential markets.

Net current assets on December 31, 1948, were substantially the same as a year ago. The Company's expanding business, as well as the continuing effect of rising costs, has required heavier investments in inventories, equipment, and plant facilities. The reserve of cash and marketable securities, accumulated some years ago, has been advantageously used for carrying more and higher cost leaf tobacco, materials, and supplies, and for the general modernization program and enlargement of the Chicago factory. In 1947, the Company entered into a credit agreement with several New York banks, against which short term borrowings were made, but these loans were liquidated before the end of the year. It was necessary to resume borrowing under this agreement shortly after the turn of the year.

Employee relations continue pleasant. The insurance, hospitalization, and retirement income plans adopted by the stockholders in 1947 produced in their first full year of operation effective contributions toward the employees' welfare and efficiency. The Insurance and Hospitalization Plan covered 1,078 employees and benefits were paid to 95. The Retirement Income Plan covered 600 employees on December 31, 1948, being 98% of those eligible to participate through the attainment of the required length of service and age under the plan applicable to all employees. The cost of the plans, which was less than originally estimated, amounted to $248,050 for 1948, of which $122,020 represented one tenth of the initial past service cost of the Retirement Income Plan.

With so much uncertainty about corporate taxes and economic conditions, it is difficult to express an opinion about the prospects for 1949, although our volume of sales so far this year is considered favorable.

Statements giving details of earnings and of the Company's financial position are shown on the following pages, together with a report by independent auditors. Comparative data for the preceding year are also presented.

By order of the Board of Directors,

J. W. PETERSON, *President.*